NEWCASTLE LOCAL MUNICIPALITY

4TH GENERATION INTEGRATED DEVELOPMENT PLAN (2017/18 – 2021/22)

2018/19 FINAL REVIEW

MAY 2018













By 2035, Newcastle will be a Resilient and Economically Vibrant City, Promoting Service Excellence to its Citizens

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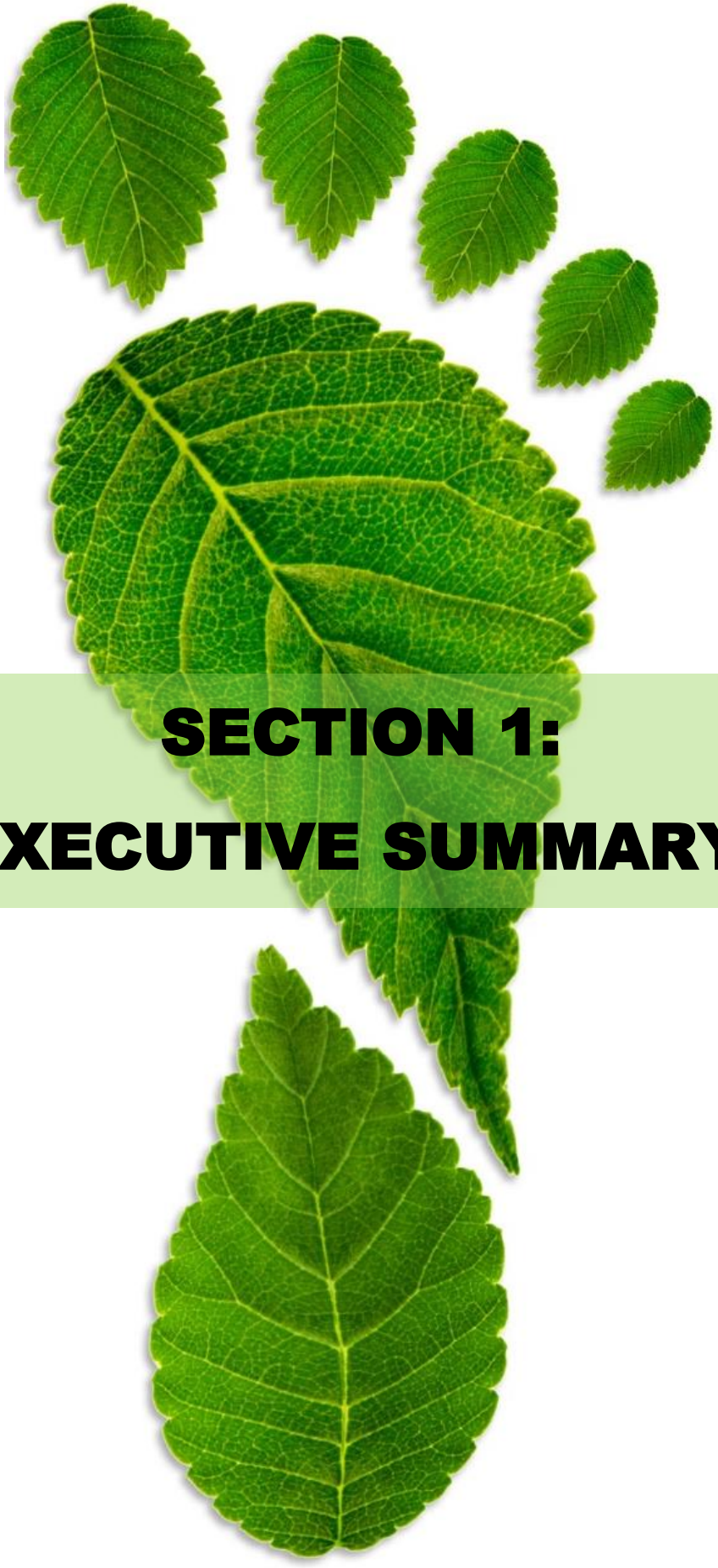
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LIST OF ABBREVIATIONS:-

ADM	-	Amajuba District Municipality
CBP	-	Community Based Plan
IDP	-	Integrated Development Plan
KZN	-	KwaZulu-Natal
NLM	-	Newcastle Local Municipality
MSA, 2000	-	Municipal Systems Act, 2000 (Act No. 32 of 2000)
MSA, 1998	-	Municipal Structures Act, 1998 (Act No. 117 of 1998)



SECTION 1:
EXECUTIVE SUMMARY.

1. INTRODUCTION.

1.1. PURPOSE OF THE IDP.

Plans are prepared not as an end in themselves, but rather as a means to an end. Likewise this Integrated Development Plan is assembled in an integrated way involving a variety of stakeholders to ensure that proposals and strategies are implementd. It is meant to be a tool towards the attainment of the municipality's vision by 2035 and also as a foundation for incremental development of the city and all areas falling within the municipality's area of jurisdiction for the benefit of present and future generations. It also means that to achieve the above, those who bear the responsibility to oversee and implement this plan, have a huge responsibility to ensure that with the requisite resources being provided, the proposals will be implemented over the duration of the plan period with tangible results for the development of the municipality.

During the past few decades, the planning community realised that in order to control the destiny of the built environment, given the dynamics of a changing political, economic and technological environment, more structured and formalised planning is required. Due to this, municipalities within South Africa adopted **Integrated Development Planning** as a tool essential for effective planning and development.

The Forum for Effective Planning and Development (1998) defined Integrated Development Planning as follows:-

"A **participatory approach** to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sutainable growth, equity and the empowerment of the poor and the marginalised."

The value of integrated development planning for municipalities is embedded in the formulation of focused plans that are based on community development priorities. This approach is meant to assist in curbing wasteful expenditure and perpertual spending patterns. The adoption of a business orientated approach is not intended at running the municipality like a profit-bound organisation, but rather to ensure that scarce resources are allocated and spent effectively.

According to Chapter 5, Section 25 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), "municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality." Newcastle Municipality's 4th Generation IDP seeks to outline a development agenda for the municipality for the period 2017 to 2022. It informs the budget and also tries by all means to respond to the aspirations and needs of the community of Newcastle. It is a

document that sets the level of economic growth for the city through the identification of economic opportunities and areas of potential investment.

1.2. BACKGROUND TO NEWCASTLE MUNICIPALITY.



Figure 1: The location of Newcastle within South Africa.

According to the recent Community Survey (2016) conducted by Statistics SA, Newcastle Local Municipality (KZN252) remains the highest contributor in terms of population growth within Amajuba District Municipality. As of 2016, the population of Newcastle is recorded at 389 117 people, thus marking a 7,1 % increase (25 881 people) over a 5-year period from the year 2011 (363 236 people). This means that on average, Newcastle has experienced a 1,42% annual growth rate, which translates to 5 176 people per year. Newcastle has also experienced a significant increase in the total youth proportion of the population. In terms of the wider KwaZulu-Natal Province, Newcastle ranks 2nd as the local municipality with the highest number of people when compared to other local municipalities, with the highest being the Msunduzi Local Municipality. The population of Newcastle is spread unevenly over 34 wards as per the outcomes of the recent delimation process by the Dermarcation Board, marking a 3 wards increase.

Furthermore, there has been a 7% increase (6 075) in the number of households within Newcastle from 84 272 in 2011 to 90 347 in 2016, with the average household size remaining constant at 4.3 people per dwelling unit. In relation to other local municipalities within the KwaZulu-Natal Province, in the year 2011, Newcastle Local Municipality was ranked 3rd after the Msunduzi and uMhlathuze Local Municipalities respectively. However, recent statistical figures reveal that Newcasle Local Municipality has dropped to 4th place after the Msunduzi, uMhlathuze, and KwaDukuza Local Municipalities respectively. In terms of the 2nd and 3rd ranked local municipalities, the reason for growth in the number of households without any significant growth in the population thereof may be atttributed to a general decrease in the average household size thereof, from 3,9 to 3,6 people, and 3,3 to 3,0 people per household repspectively.

Traditionally, the town of Newcastle started off as Post-Halt Number 2 on the journey between Durban (then Port Natal) and the Zuid-Afrikaansche Republiek (Transvaal) and Johannesburg. It was strategically positioned in the year 1854, by the Surveyor General of the Natal Colony, Dr. P. C. Sutherland. The city was later known as the Waterfall River Township because of the Ncandu River and, in 1864, the town of Newcastle was founded on the site becoming the

forth settlement to be established in natal after Durban, Weenen and Pietermaritzburg. Newcastle was named after the British Colonial Secretary, the Duke of Newcastle and, in 1873 Newcastle became a separate electoral division. In the year 1876, the Fort Amiel was built as a barrier against the Zulus, Fort Amiel now being embraced as one of the significant national heritage sites.

In 1897, a snandtone construction of the town hall started and it was completed two years later in 1899. The town hall was constructed in commemoration of Queen Victoria's diamong, the '60th Jubilee.' The town was also used as a depot by the British during the First and Second Boer War. It also functioned as a major transport junction and a popular stopover for wagons and post chaises during the late 19th century. Newcastle also served as an arena when the British preparation work for the Pretoria Convention of 1881 was done. In 1890, the first train arrived in Newcaste and in the year 1891, Newcastle was declared a district with its own administrative unit. The discovery of coal reserves brought a new era of prosperity and the planning of several ambitious building projects.



Figure 2: The location of Newcastle within the Amajuba District.

Newcastle Local Municipality is one the three local municipalities that make up Amajuba Districty Municipality, with the others being Dannhauser and eMadlangeni Local Municipalities. It is located on the North-Western of the KwaZulu-Natal Province and borders onto Free State and Mpumalanga Provinces to the West and North respectively. The local municipalities of eMadlangeni and Dannahauser Local Municipalities are located along the Eastern and Southern boundaries of Newcastle. Spatially Newcastle covers an area of approximately 1 854km² in extent. A high majority of the people (80%) within Newcastle resides within the

Newcastle East area, which is predominantly township and semi-rural areas characterised by a general lack of adequate infrastructure.

The boundaries of Newcastle Local Municipality were delineated in terms of the Municipal Dermarcation Act, 1998 (Act No. 27 of 1998), and takes in account population movement trends, regional economic patterns and the current land use pattern. Currently Newcastle has 34 wards and out of these wards, wards 1, 6, 7, and 30 fall under the custodianship of the Tribal Authorities (Inkosi u-Khathide and Inkosi u-Hadebe) held in trust on behalf of the Ingonyama Trust Board, in terms of the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3KZ of 1994). As mentioned above, the population is spread unevenly amongst 34 wards with the majority of the population residing in the Newcastle-East area. The boundaries are not just administrative, but are also intended towards the promotions of social cohesion and economic development that's mindful to environmental sustainability, whilst at the same time strengthening the existing regionally significant economic and functional linkages.

Newcastle Local Municipality is well placed to benefit from regional economci growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu-Natal Province. It is located halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods and supply to the large Gauteng market. Newcastle is also endowed with good access infrastructure to the areas mentioned above, and such includes quality road and railway networks. The town is situated on the national rail route between the Durban Container Terminal and City Deep in the Gauteng Province, and has within its confines, a major rail exchange terminal, supporting railway stations and extensive goods conversion/warehousing facilities.

The city's local authority has jurisdiction over the surrounding maize, livestock and dairy farms including the industrial areas such as Karbochem, Mittal Steel South Africa (previously ISPAT/ISCOR), and the textile service industry. In addition, the city is also well endowed with coal reserves hence opportunities for coal mining within the area. Arcelor Mittal produces over 105 million tons of steel products annually. Although the Arcellor Mittal steelworks and the Karcbochem synthetic rubber plant dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the success of the region. Newcastle has welcomed many Chinese and Taiwanese into the region with the addition of over a hundred textile factories.

During the year 2002, the chrome chemical plant was completed in Newcastle which comes as a clear reflection of the city's industrial future. The joint venture project between Karbochem and the German specialist manufacturing giant LANXESS has made Newcastle the largest producer of chrome chemical in Africa. The company announced an investment of €40 million (almost R600 million) in 2012 towards the construction of a CO_2 plant at its site. Mittal Steel also completed a R400 million project to rebuild one of its coke batteries. Other large operations include a diamond cutting works, various heavy engineering companies, steel reinforcement and slagment cement factories.

The Blackrock Casino and Entertainment Hotel provides much entertainment to Newcastle and the surrounding areas. The Newcastle Mall which was constructed by Zen Prop as a R500 million investment, is found adjacent to the Black Rockcasino and Entertainment Hotel, and it serves as a one-stop shopping destination for the wider region of Northern KwaZulu-Natal. Current and planned urban developments within Newcastle entail the new multi-storey Civic Centre, the 80 million expansion of the Victoria Mall, the Meadowlands Estate in Madadeni (residential estate), major extensions and upgrade of the Madadeni Hospital (Northern KwaZulu-Natal Regional Hospital), a R100 million upgrade of the Madadeni Police Station, the Vulintaba Estate, more development at the corner of Allen street along the Trim Park, the new Audi dealership next to Newcastle Mall (Aquaranf), Spar at corner Allen and Memel Road, planned Mercedes-Benz and dealership next to the Newcastle Mall (Aquarand), the development of the Heartlands Dry Port next to the train station, and the possible extension of the Newcastle Airport (Newcastle Airport Techno-hub). From the 1880s, Newcastle experienced rapid economic growth. Today Newcastle has the largest concentration of industry in the North-Western KwaZulu-Natal region.

There has been a 23.04% decline in the level of unemployment within Newcastle, from 87 619 (60.48%) in 2001 to 37 686 (37.44%) in 2011. In terms of unemplyment by gender, the highest concentration is amongst the female population. With regards to formal employment by sector within Newcastle Municipality, trade/retail is the highest employer of the population at 8 888 as of July 2012, followed by Government services at 18 324. Government services as an employment sector is closely followed by manufacturing at 6 419, and subsequently finance at 5 375. As of 2013 the GDP of Newcastle was recorded as occupying 80.20% of the total GDP (0.7%) generated by Amajuba District within the KwaZulu-Natal Province. In terms of the Human Development Index (HDI – the composite measure of life expectancy, education, and income used to measure human development), Newcastle is currently sitting at 0.57 which is deemed by the United Nations Development Programme as being medium human development index. The Gini Coefficient (the measure of inequalities) in Newcastle assumes a municipality working towards addressing inequalities. In the year 2002 inequality was estimated at 0.65 and in 2012 it was estimated to be 0.62 hence marking a move towards perfect equality. Regarding the levels of poverty, Newcastle has also experienced a decrease from 56.0% in 2002, 51.0% in 2006 and 44,4% in 2012. The annual income per capita of Newcastle Municipality is currently sitting at 29 264 thus meaning that the majority of individuals within Newcastle earn R2 438,66 per month hence falling above the global poverty line of $1,25 per day based on the dollar – rand exchange rate.

1.3. OBJECTIVES OF THE INTEGRATED DEVELOPMENT PLAN.

The Newcastle Municipality's Integrated Development Plan adopts a long term planning horizon, but also presents a short-to-medium term strategic agenda and a detailed five year programme commencing in the 2016/2017 financial year and ending in 2021/2022 financial year. This period coincides with the term of office of the incumbent Council and aligns with the budget cycle. The IDP is prepared in accordance with the requirements of the Municipal

Systems Act, 2000 (Act No. 32 of 2000) and the associated regulations. Below is an abstract of the aforementioned act.

The IDP is intended to serve as a strategic guide for public sector investment and development generally. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives. The objectives of Newcastle Municipality's IDP are as follows:-

- To guide decision making in respect of service delivery and public sector investment;
- To inform budgets and service delivery programs of various government departments and service agencies;
- To coordinate the activities of various service delivery agencies within Newcastle Municipality's area of jurisdiction;
- To engage communities and other key interested and affected parties in municipal affairs, particularly the continuous integrated development process; and
- To position the municipality to make a meaningful contribution towards meeting the district and provincial development targets and priorities.

Section 25 (1) of the Municipal Systems Act, 2000 (Act No. 32 of 2000):-

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;

b) Aligns the resources and capacity of the municipality with the implementation of the plan;

c) Complies with the provisions of this Chapter; and

d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

1.4. THE FRAMEWORK OF THE INTEGRATED DEVELOPMENT PLAN.

Newcastle Local Municipality's IDP is presented in four main sections which is in line with Section 26 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) which prescribes the key components of an IDP, and an emphasis on development outcomes. The objectives of the IDP are as follows:-

- To give an outline of the key development needs and trends based on an analysis of the current level of development (**Situational Analysis**).
- A strategic framework which outlines Council's long term vision with specific emphasis on the municipality's most critical strategic objectives, actions plans and strategies (**Development Strategies**).
- A capital program which entails a one year program, a three year program aligned to the Medium-Term Expenditure Framework and the Five Year Plan (**Capital Investment Projects**).
- An implementation framework which includes sector plans, more specifically the financial plan, the spatial development framework, the organizational performance management

system and an organizational transformation and institutional development plan (**Integration**).

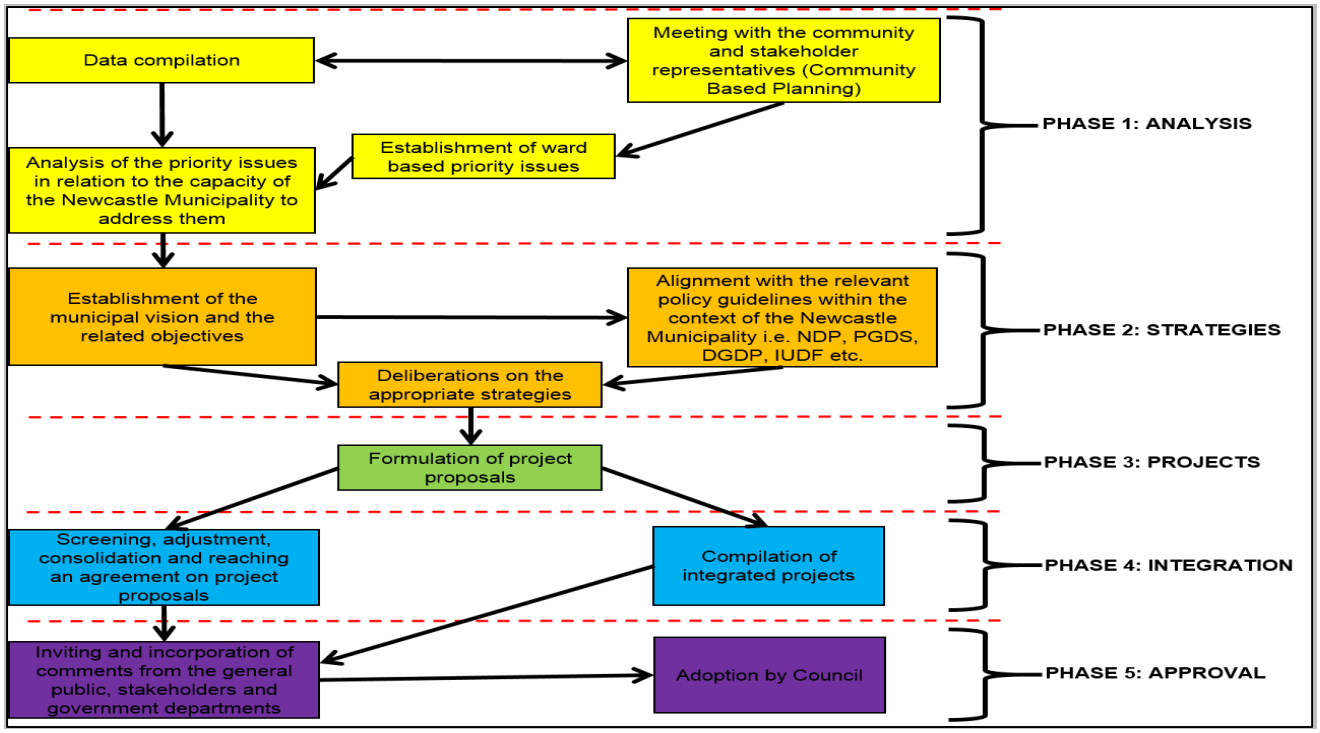


Figure 3: Diagrammatic overview of the NLM IDP Process.

The IDP informs the Medium-Term Expenditure Framework (MTEF), and guides the annual budget process. Furthermore, Chapter 4, Section 21(1) of the Municipal Finance Management Act, 2003 (MFMA No. 56 of 2003) requires a municipality to align and sustain a close functional link between its IDP and the budget.

1.5. APPROACH.

The approach adopted in developing the IDP for the 2017/18 financial year strongly conforms to the guidelines prepared by the Department of Co-Operative Governance and Traditional Affairs (COGTA) as set out in the Revised KZN IDP Framework Guide dated 12 February 2013. The guide pack advocates for a process that is integrated, sustainable, issue-driven, people-centred, practical and action oriented.

1.5.1.Public Participation.

The IDP preparation process involved extensive stakeholder engagements as required in terms of the MSA, 2000 (Act No. 32 of 2000). An IDP Steering Committee structure was developed and various meetings were convened with the participation of strategic personnel who are municipal technocrats in order to discuss pertinent issues particularly related to the strategic direction to be taken for the 4th Generation IDP. Furthermore, an IDP Representative Forum was established with the intension being to have continuous participation from interest groups who represent the views of the public in relation to municipal planning. Most importantly, the IDP preparation process was initiated through a series of Community Based Planning (CBP) meetings which were held at ward level as a means to ensure grassroot level

planning. The main purpose of the CBP execrise was to direct municipal planning efforts and resources thereof towards the achievement of sustainable livelihoods at ward level, in line with the 17 Sustainable Development Goals. The participants to the CBP activity were as follows:-

- Councillor;
- Ward Committees;
- NGOs;
- NPOs;
- Organized youth;
- Religious groups;
- Arts and cultural groups;
- Sport and recreation groups;
- Crime prevention groups;
- Traditional healers;
- Traditional authorities;
- Municipal officials; and
- Government sector departments.

Through the CBP, we were able to establish the community priority needs which then set foundation for municipal resource allocation. The comments raised by the members of the public during the various constituency meetings also provided valuable input that also fed into the process. Moving forward, the review of the IDP will also follow somewhat of a similar procedure inclsuive of the review of the CBP annually. The following entails a schedule of the key activities that will be undertaken towards reviewing the IDP:-

- Strategic review of the NLM IDP (2016/17) in line with the comments from the MEC: COGTA;
- Strategic review of outdated sector plans;
- Improved alignment between the IDP/Budget and PMS;
- Strategic review of the NLM SDF (2016/17) in line with the comments from the MEC: COGTA;
- Review of the three year financial plan;
- Development of the SDBIP; and
- Preparation of the IDP.

1.5.2.Integrated Development Planning Activities and Timeframes (2018/19).

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
JULY 2017	▪ Preparation of the Draft IDP/Budget and PMS Process Plan. ▪ Engagement with the Budget Office, PMS and the Town Planning Directorate for alignment purposes. ▪ Tabling of the Draft IDP Process Plan to MANCO for comments. ▪ Submission of Draft Process Plan to COGTA.	• Compilation of the process plan in line with the approved SDBIP for 2016/17 financial year.	• Submission of performance reports for previous quarter/month by the 10th. • Signing of new performance contracts for Section 54 and 56/57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA). • Roll out of the approved SDBIP. • Draft Performance Reports 2015/16 to Internal Audit within 25 days of end of quarter departments.	**Mayor and Council / Entity Board**	**Administration - Municipality and Entity**	**Budget Review Activities**
				▪ Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process **MFMA s 53** ▪ Planning includes review of the previous years' budget process and completion of the Budget Evaluation Checklist	▪ Accounting officers and senior officials of municipality and entities begin planning for next three-year budget **MFMA s 68, 77** ▪ Accounting officers and senior officials of municipality and entities review options and contracts for service delivery **MSA s 76-81**	▪ Approve and announce new budget schedule and set up committees and forums. ▪ Consultation on performance and changing needs.
AUGUST 2017	▪ Advertising of the Draft Process Plan for public comments in line with the legislative	▪ Desktop analysis in view of 5 year plan (4th Generation SDF) of the SDF as per	▪ Submission of performance reports for previous month by the 10th.	▪ Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling	▪ Accounting Officer to submit AFS to Auditor-General [Due by	▪ Consultation on performance and changing needs. ▪ Review performance and financial position.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
	requirements (MSA No. 32 of 2000). ▪ IDP preparation process initiated. ▪ Review of comments received on the 2016/17 Final IDP Review document. ▪ Tabling of comments to relevant line department for feedback and provision of information. ▪ Self-assessment to identify gaps in the IDP process. ▪ Final IDP Process Plan tabled at EXCO and Council for approval.	the requirements of SPLUMA.	▪ Draft Performance Reports 2015/16 to Internal Audit within 25 days of end of quarter departments. ▪ Quarterly Audit Committee meeting (for the last quarter of 15/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) (Annual Performance Report and Draft Annual Report 2015/16). ▪ Evaluation Panel meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b). ▪ Submission of Annual Performance Report to Auditor-General.	and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. **MFMA s 21,22, 23; MSA s 34, Ch 4 as amended** ▪ Mayor establishes committees and consultation forums for the budget process	31 August, **MFMA Sec 126(1)(a)**] ▪ IDP Review Process.	▪ Review external mechanisms. ▪ Start Planning for next three years.

MONTH	ACTIVITIES					
	IDP	SDF	PMS	BUDGET		
			▪ Submission of Draft Annual Report to Auditor-General ▪ Monitoring and Evaluation session on capital program. ▪ Monthly progress report on performance to EXCO (Capital).			
SEPTEMBER 2017	▪ Advertisement of the Final IDP Process Plan in order to meet AG audit requirements. ▪ Submission of Final Process Plan to COGTA. ▪ Integration of new information from the Spatial Development Framework. ▪ Continuous: Updating and review of the strategic elements of the IDP in light	▪ Respond to MEC Letter on SDF comments. ▪ Alignment of all Local Area Development Planning (LADP) to the IDP Process Plan. ▪ Finalise sector plan alignment. ▪ Finalise desktop analysis. ▪ 1st PSC Meeting.	▪ Submission of performance reports for previous quarter/month by 10th. ▪ Monitoring and Evaluation session on capital program. ▪ Monthly progress report on performance to EXCO (Capital). ▪ Circulate Quarter 1 reporting templates to departments.	▪ Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans	▪ Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives ▪ Engages with Provincial and National sector	▪ Update policies, priorities and objectives. ▪ Determine revenue projections and policies.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
	of the new focus of Council. ▪ Attend to issues identified in line with the Newcastle Municipality's Back to Basics Programme. ▪ Continuous: Incorporation of responses and information received from departments in line with the tabled comments.				departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc.)	
OCTOBER 2017	▪ Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. ▪ Continuous: Incorporation of responses and information received from departments in line with the tabled comments.	▪ Review of Boundaries of nodes and corridors. ▪ Presentation to planning forum. ▪ District and cross-border alignment on – on-going till December 2016.	▪ Submission of performance reports for previous quarter/month by 10th. ▪ Departments to submit Q1 performance reports with Portfolio of Evidence. ▪ Sect 57 Managers' quarterly	▪	▪ Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials **MFMA s 35, 36, 42; MTBPS**	▪ Determine revenue projections and policies. ▪ Engagement with sector departments, share and evaluate plans, national policies, MTBPS. ▪ Draft initial allocations to functions. ▪ Draft initial changes to IDP.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
	▪ Strategic Planning Workshop for the review/development of a Municipal Vision, Mission, Strategic Objectives and Strategies per KPA.		assessments (for first quarter of 16/17). ▪ Quarterly progress report on performance to EXCO. ▪ Submission of Q1 Performance Report to Internal Audit within 25 days of end of quarter. ▪ Audit Committee Meeting to consider Q1 Performance Report.			
NOVEMBER 2017	▪ First IDP RF Meeting to present the Final Process Plan (2017/18). ▪ Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council.	▪ 2nd PSC Meeting. ▪ First IDP RF Meeting to present the Final Process Plan (2017/18). ▪ Incorporation of the Scheme, capturing of Scheme information as required by SPLUMA.	▪ Submission of performance reports for previous quarter/month by 10th. ▪ Develop PMS Templates for 2017/18 based on review of IDP Strategies. ▪ Quarterly progress report		▪ Accounting officer reviews and drafts initial changes to IDP **MSA s 34** ▪ Auditor-General to return audit report [Due by 30 November, **MFMA 126(4)**]	▪ Draft initial changes to IDP. ▪ Consolidation of budgets and plans. ▪ Executive determines strategic choices for next three years.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
	▪ Identification of IDP priority projects. ▪ Project alignment within the municipal departments. ▪ Continuous: Incorporation of responses and information received from departments in line with the tabled comments.		on performance to EXCO. ▪ Audit Committee Meeting to consider Q1 Performance Report. ▪ Evaluation Panel Meeting (for evaluation of Section 57 Managers final assessments MPPR Reg. 14(3)(b).			
DECEMBER 2017	▪ Departments to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Continuous: Identification of IDP priority projects. ▪ Project alignment between the DM and LM's. ▪ Continuous: Incorporation of	▪ Finalization of the district and cross border alignment process.	▪ Submission of performance reports for previous quarter/month by 10th. ▪ Compile annual report for 15/16 (MFMA Sect 121) for tabling Council in January. ▪ Quarterly progress report on performance to EXCO.	▪ Council finalises tariff (rates and service charges) policies for next financial year **MSA s 74, 75**	▪ Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements	▪ Executive determines strategic choices for next three years. ▪ Finalise tariff policies.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
	responses and information received from departments in line with the tabled comments.		▪ Circulate Q2/Mid-Year Performance Assessment 2016/17 reporting templates to departments. ▪ Final Draft of Annual Report circulated for internal comment (To include AG Report).			
JANUARY 2018	▪ Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. ▪ Continuous: Incorporation of responses and information received from departments in line with the tabled comments. ▪ Initiation of the Community Based Planning (CBP) Process	▪ Commence with the sector department alignment process – on-going till March 2017. ▪ Incorporation of the Community Based Planning (CBP) Report into the SDF.	▪ Submission of performance reports for previous quarter/month by 10th. ▪ Departments to submit Q2/Mid-year performance information by 10 Jan 2017. ▪ Submit Mid-year performance assessment to Mayor/EXCO by no later than 25th January 2017 (Unaudited).	▪ Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year **MFMA s 87(1)**	▪ Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) **MFMA s 36**	▪ Prepare detailed budgets and plans for the next three years.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
			▪ Mayor tables annual report for 13/14 MFMA Sect 127(2) to full Council by 31 Jan 2017.			
FEBRUARY 2018	▪ Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Continuous: Identification of IDP priority projects. ▪ Packaging of projects to inform the budget (MTEF). ▪ Complete the project finalization process. ▪ Continuous: Incorporation of responses and information received from departments in line with the tabled comments.	▪ Alignment of the Draft Budget and Capital Investment Framework with the SDF. ▪ Finalization of the Capital Investment Framework and Implementation Plan.	▪ Submission of performance reports for previous quarter/month by 10th. ▪ Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a). ▪ Submit annual report to AG, Provincial & CoGTA (MFMA Sect 127). ▪ Sect 57 Managers' quarterly assessments (for second quarter of 16/17).	▪ Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity **MFMA s 87(2)**	▪ Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report ▪ Accounting officer to notify relevant municipalities of projected allocations for next three budget	▪ Prepare detailed budgets and plans for the next three years. ▪ Executive adopts budget and plans and changes to IDP.

MONTH	ACTIVITIES					
	IDP	**SDF**	**PMS**	**BUDGET**		
	▪ Conduct IDP/Budget strategic workshop.		▪ Draft PMS 2017/18 for internal consultation and budget input from IDP and budget.		years 120 days prior to start of budget year **MFMA s 37(2)**	
MARCH 2018	▪ Second IDP RF Meeting ▪ Finalization of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Initiate preparation of Capital Investment Plan. ▪ Initiate preparation of Financial Plan. ▪ Conclusion of Sector Plans initiated in the 201617 financial year and integration into the Draft IDP Review document. ▪ Submission of the Draft IDP document to COGTA.	▪ Finalization of Local Area Development Planning. ▪ 3rd PSC Meeting.	▪ Council to consider and adopt an oversight report [Due by 31 March 2017 **MFMA Sec 129(1)**]. ▪ Set performance objectives for revenue for each budget vote (MFMA Sect 17). ▪ Quarterly progress report on performance to EXCO. ▪ Audit Committee Meeting to consider Q2/Mid-Year Report. ▪ Section 57 Managers' quarterly assessments (for	▪ Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month **MFMA s 87(2)** ▪ Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year **MFMA s 16, 22, 23, 87; MSA s 34**	▪ Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed **MFMA s 22 & 37; MSA Ch 4 as amended** ▪ Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March **MFMA s 42**	▪ Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the financial year.

MONTH	ACTIVITIES					
	IDP	SDF	PMS	BUDGET		
			second quarter of 16/17). ▪ Finalise Draft OPMS (including SDBIPS) 2017/18 to be included in IDP and Budget. ▪ Circulate Q3 performance reporting template to departments.			

APRIL 2018	▪ Advertising of the Draft IDP document for public comments (21 days). ▪ Incorporation of DORA information into the Final IDP document. ▪ Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets. ▪ Identify departmental allocations from Municipality's Own Funds. ▪ Consultation with Portfolio Councillors to identify projects to which Own Funds will be allocated to. ▪ Preparation of Capital Investment Plan. ▪ Preparation of Financial Plan. ▪ Conclusion of Sector Plans	▪ Finalization of the sector department alignment process. ▪ Advertisement of the Draft SDF in the press for public comments. ▪ Finalize Capital Investment Framework.	▪ Public Consultation on Draft PMS as part of IDP/Budget roadshows. ▪ Departments to submit Q3 performance information by 10th of April. ▪ Quarterly progress report on performance to EXCO. ▪ Publicise Oversight Report [Due by April **MFMA Sec 129(3)**]. ▪ Submit Annual Report to Provincial Legislature/MEC Local Government [Due by April **MFMA Sec 132(2)**]. ▪ Quarterly Audit Committee meeting (for third quarter of 13/14) MFMA Sect 166 & MPPR Reg. 14(3)(a).	▪ Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc. ▪ **MFMA s 21** ▪ Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30	▪ Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year ▪ Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature.	▪ Consultation with National and Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc. ▪ Public hearings on the Budget, Council Debate on Budget and Plans. ▪ Public hearings on the Budget, Council Debate on Budget and Plans. ▪ Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP.

	initiated within the 2016/17 financial year and integration into the Final IDP Review document. ▪ Public participation process launched through a series of public hearings on the IDP and Budget. ▪ Continuous: Preparation of the departmental business plans linked to the IDP strategies, objectives, KPI's and targets.		▪ Public Consultation process on Draft PMS together with IDP and Budget.	days before start of budget year. **MFMA s 23, 24; MSA Ch 4 as amended** ▪ Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality **MFMA s 87.**		

MONTH	ACTIVITIES					
	IDP	SDF	PMS	BUDGET		
MAY 2018 JUNE 2018	▪ Third IDP RF meeting to consider the amendments to the Final IDP document. ▪ EXCO recommends adoption of the Final IDP to Council. ▪ Council workshop on the IDP. ▪ Adoption of the Final IDP by Council. ▪ Submission of Final IDP to COGTA. ▪ Advertisement of the Final IDP document in line with the legislative requirement (MSA No. 32 of 2000).	▪ IDP RF meeting to deliberate on changes to the SDF. ▪ EXCO recommends adoption of the SDF with IDP to Council. ▪ Adoption of the SDF by Council.	▪ Community input into organisation KPIs and targets. ▪ Departments to revise PMS based on community input if applicable. ▪ Approval of OPMS 2017/18 with IDP and Budget. ▪ Quarterly progress report on performance to EXCO. ▪ Quarterly Audit Committee meeting (for third quarter of 13/14) MFMA Section 166 & ▪ Circulate templates for Q4/Annual Performance Report and Draft Annual Report 2016/17. ▪ Section 57 Managers' Quarterly	▪ Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote 30 days before start of budget year **MFMA s 16, 24, 26, 53** Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with sect 57(2) of the MSA. Mayor to	▪ Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. **MFMA s 69; MSA s 57** ▪ Accounting officers of municipality and entities publishes adopted budget and plans **MFMA s 75, 87**	▪ Publish budget and plans. ▪ Finalise performance contracts and delegation.

MONTH	ACTIVITIES					
	IDP	SDF	PMS	BUDGET		
			Performance Assessments. ▪ Quarterly progress report on performance to EXCO. ▪ Approval of SDBIP within 28 days of approval of budget.	ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. ▪ **MFMA s 53; MSA s 38-45, 57(2)** ▪ Council must finalise a system of delegations. ▪ **MFMA s 59, 79, 82; MSA s 59-65**		

1.5.3.Process Plan for the Community Consultation on the IDP/Budget (Roadshows 2018).

DATE AND TIME	STAKEHOLDER	VENUE	ACTIVITY	PROGRAMME DIRECTOR
23 April 2018 (Monday) 10H00	Ward Committees, IDP Rep Forum, IGR Technical Task Team, Traditional Healers, Youth Structures, Women & Men's Forum, Interfaith, Minister's Association, NGOs & FBOs	Richview Hall	Budget Consultation	CLLR J.C.N MKHWANAZI
23 April 2018 (Monday) 17H00	All Chambers, Organised Business, Farmers Association & Traditional Leadership	EXCO Room	Budget Consultation	CLLR J. C. N MKHWANAZI
24 April 2018 (Tuesday) 10H00	Ward 1	Charlestown, Nketheni, Amajuba Forest, Ingogo, Bothaspass, Wykom, Inkwelo	• Handover of Nek Road and • Charlestown Hall in • Charlestown Electrification project: Inkwelo • Charlestown package water plant	CLLR D MNGUNI
04 May 2018 (Friday) 17H00	Ward 5	Hope High School Hall		CLLR J.C.N MKHWANAZI

DATE AND TIME	STAKEHOLDER	VENUE	ACTIVITY	PROGRAMME DIRECTOR
05 May 2018 (Saturday) 10H00	Ward 20, 22 & 23	Mbalenhle Higher Primary School Ground		CLLR D MNGUNI
05 May 2018 (Saturday) 14H00	Ward 24, 26, part of 27 & 28	Phelindaba Stadium	Handover of roads MD 6 & MD 11	CLLR J.C.N MKHWANAZI
06 May 2018 (Sunday) 10H00	Ward 14, Part of 27 & 31	Dedangifunde Sports Ground		CLLR D. MNGUNI
06 May 2018 (Sunday) 14H00	Wards 11, 13, 17, part of 30 and part of 32	Osizweni Stadium	Handover of Osizweni Netball Court in Ward 11	CLLR D MNGUNI
07 May 2018 (Monday) 10H00	Ward 21 Bosworth Farm & Vezubuhle	Bosworth farm		CLLR D. MNGUNI
07 May 2018 (Monday) 15H00	Part of Wards 7, 8, 9, 10 and part of 32	Cricket Oval		CLLR J.C.N MKHWANAZI
08 May 2018 (Tuesday) 15H00	Wards 2, 3, 4, 25 & 34	Fairleigh Hall	Handover of Suryaville Informal Trade Centre (Ward 3)	CLLR J.C N MKHWANAZI
09 May 2018 (Wednesday) 15H00	Wards 19, 27 & 29	Cathulani Sports Ground		CLLR J.C. N MKHWANAZI
10 May 2018 (Thursday) 10H00	Part of Ward 7, part of wards 30, 6 & 33	DicksHalt Community Hall		CLLR J.C.N MKHWANAZI

DATE AND TIME	STAKEHOLDER	VENUE	ACTIVITY	PROGRAMME DIRECTOR
10 May 2018 (Thursday) 14H00	H39	H39 Open field		CLLR D MNGUNI
12 May 2018 (Saturday) 11H00	Wards 12, 15, 16 & 18	Mzamo Sports ground	Handover of JBC Hall	CLLR J.C.N MKHWANAZI

1.6. IDP/BUDGET/PMS PROCESS PLAN FOR THE 2018/19 MTREF.

1.6.1. Process for the development of the Integrated Development Plan (2018/19).

EVENTS	DATES	RESPONSIBILITY
Submission of Draft IDP Review (2016/17) to COGTA	30 March 2017	Municipal Manager/Director IDP
Draft IDP Assessment feedback and alignment session	06 – 22 April 2017	COGTA/Director IDP
EXCO/Council approval/adoption of Final IDP	31 May 2017	Municipal Manager/Director IDP
Posting of Final IDP document on Official Municipal Website	05 June 2017	Director IDP
Submission of Final IDP to COGTA	10 June 2017	Municipal Manager/Director IDP
EXCO to approve Draft Process Plan.	19 July 2017	Municipal Manager/Director IDP
Joint meeting for IDP, Budget and PMS for process alignment purposes.	12 July 2017	Municipal Manager/Director IDP
- MEC Panel assess reviewed IDPs based on IDP Assessment Criteria, based on 6 KPAs. - Fill-out of criteria templates. - Finalise scores per KPA.	18 – 22 July 2017	COGTA
Submission of the Draft Process Plan to COGTA.	29 July 2017	Municipal Manager/Director IDP
Forward letters to MEC for signature	01 – 05 August 2017	COGTA
Forward MEC report to MEC for signature	01 – 05 August 2017	COGTA
Local Government Elections	03 August 2017	IEC
Forward signed MEC letters to Mayors	15 August 2017	COGTA
IDP-SC to deliberate on Final IDP Process Plan.	08/22 August 2017	Municipal Manager/Director IDP
Final Process Plan to EXCO/Council for approval.	23 August 2017	Municipal Manager/Director IDP
Posting of Final IDP Process Plan on the Municipal website.	28 August 2017	Municipal Manager/Director IDP
Submission of Final IDP Process Plan to COGTA.	02 September 2017	Municipal Manager/Director IDP
Advertisement of the Final IDP Process Plan to members of the public.	08 September 2017	Municipal Manager/Director IDP
Ward Committee Elections	29 October 2017 – 06 November 2017	Municipal Manager/Director IDP
IPD Alignment Sessions	01 – 21 November 2017	COGTA/Director IDP
First IDP Representative Forum ▪ Presentation of the Process Plan. ▪ The provision of feedback on the *status quo* and strategic framework components of the IDP. ▪ Deliberation on the comments received on the Final IDP (2015/16). ▪ Comprehensive analysis of the 2016 Ward Delimitation process. ▪ Comprehensive analysis of the 2016 Community Survey.	18 November 2017	Municipal Manager/Director IDP

Inauguration of Ward Committees	24 November 2017	Municipal Manager/Director IDP
Obtain Sector Departmental Input.	January 2018	Municipal Manager/Director IDP
IDP Stakeholders meeting	February 2018	COGTA/Director IDP
IDP Progress Report to IDP-SC.	16 February 2018	Municipal Manager/Director IDP
Strategic Workshop for IDP/Budget.	20 – 24 February 2018	Municipal Manager/Director IDP
Second IDP Representative Forum ▪ Presentation of the draft IDP and Budget and PMS ahead of the public participation process. ▪ Prioritized Projects and Programs. ▪ Sector Plans Progress and finalization i.e. WSDP & Disaster. ▪ Draft PMS 2015/16.	09 March 2018	Municipal Manager/Director IDP
EXCO approval of Draft IDP.	28 March 2018	Municipal Manager/Director IDP
Council approval of Draft IDP	29 March 2018	Municipal Manager/Director IDP
Posting of Draft IDP document on Official Municipal Website	05 April 2018	Director IDP
Submission of Draft IDP to COGTA.	07 April 2018	Municipal Manager/Director IDP
21 Days Advertising period for public comments.	06 April - 27 April 2018	Municipal Manager/Director IDP
IDP/ Budget Roadshows.	April 2017/ May 2018	Municipal Manager/Director IDP
IDP-SC to deliberate on the Final IDP document.	09 May 2018	Municipal Manager/Director IDP
Final IDP Representative Forum for adoption. ▪ Feedback on comments received during the 21 day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues. ▪ Recommendations by the IDP RF for adoption of the IDP by Council.	11 May 2018	Municipal Manager/Director IDP
EXCO to recommend IDP approval by Council.	23 May 2018	Municipal Manager/Director IDP
Special Council meeting to adopt the final IDP document for the 2016/17 financial year.	25 May 2018	Municipal Manager/Director IDP
Placing of Final IDP document on Official Municipal Website	31 May 2018	Director IDP
Advertising of Final IDP document to the public	1 June 2018	Director IDP
Submission of Final IDP Document to COGTA.	2 June 2018	Director IDP
Submission of Draft SDBIP to EXCO within 14 days of approval of the budget.	14 June 2018	Municipal Manager/Manager – M&E
Approval of SDBIP within 28 days of approval of the budget	28 June 2018	Municipal Manager/Manager – M&E

1.6.2.Participation of Government Sector Departments.

In general, sector integrated planning is very weak within the South African Local Government sphere as municipalities are not getting recognition as development overseers within their respective areas of jurisdiction. Currently there is no effective legislation that makes it compulsory for all sector departments to align their budgets with municipal budgets and allocate resources using the prioritization list available from municipalities through consultations with communities.

However, Newcastle Local Municipality has investigated an alternative mechanism which has brought sector departments to be fully involved in the IDP process. The mechanism adopted was to engage sector departments on a one-on-one basis in order to deal with specific issues affecting the municipality. Sector departments have also fully participated on the IDP Representative Forums held by the municipality. As a result, the municipality has enjoyed working with the following departments and their participation has made significant improvements towards service delivery:-

- Department of Transport;
- Department of Co-Operative Governance and Traditional Affairs (COGTA);
- Department of Social Development;
- ESKOM;
- Department of Public Works;
- Department of Health;
- Department of Economic Development and Tourism;
- Department of Arts and Culture (Library and Museum sections); and
- Department of Human Settlements.

1.6.3.Alignment with the District Family of Municipalities.

Various meetings were also held with the district family of municipalities to align the IDPs and these include the District Area Planning and Development Forum, the District Public Participation Forum, and the ADM IDP Steering Committee in naming just a few. The following is an indication of some of the key alignment issues addressed to date:-

- The IDPs of the Amajuba family are focusing on the outcome based IDP approach thereby align with the Key Performance Areas developed by national government.
- Both the SONA and SOPA have been incorporated into the IDPs.
- Outcome 9 has been incorporated into the IDPs there by giving emphasis to good governance and sustainable human settlements (Outcome 8).
- The PGDP has been incorporated as part of improving the alignment between the province and local government.
- The DGDP has been incorporated as a means to improve alignment between the district and local government.
- The IDPs have given emphasis to the Sukuma Sakhe Program and its associated impact on communities – the fight against poverty through job creation.

- The IDP has also taken cognisance of the 8 Millennium Development Goals as signed in the Millennium Declaration by 189 World Leaders in the Millennium Summit (2000).
- Furthermore, the issues raised at COP 17 on climate change have also been incorporated. These include the implementation of solar energies and smart and conventional meters on new housing developments.
- The new settlement patterns will consider floodlines and the introduction of disaster management centres.

1.7. KEY DEVELOPMENT CHALLENGES.

Although the NLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These are discussed briefly and categorised according to the national key performance areas below.

1.7.2.Service Delivery and Infrastructure.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Huge backlogs in the delivery of basic services (electricity, water, sanitation) within the Newcastle-East area (Johnstown, Blauuwbosch and Cavan), Madadeni and Osizweni townships as well as the surrounding rural settlements located within the vicinity of the Ubuhlebomzinyathi area.	- Improved roll-out of projects towards basic service delivery particularly within the Madadeni, Osizweni and the JBC area including the surrounding rural settlements. - Develop Comprehensive Infrastructure Master Plan. - Construction of a new raw water source in order to improve access to potable water. - Upgrade wastewater collection and treatment facilities.
Challenges with the maintenance and development of basic road and storm-water infrastructure particularly within the Newcastle-East area.	- Roads and Stormwater Master Plan. - Improved roll-out of capital program towards basic road infrastructure particular within the Newcastle-East area.
Poor condition of public facilities and a general lack of the required tools and equipment for effective delivery of the related services. i.e. schools, clinics, community halls, early childhood education centers, the library etc.	- Improve access to public facilities through refurbishment of the related infrastructure. - Introduction of new technology in order to improve access .i.e. outdoor gym equipment, ICT systems within libraries etc.
A huge housing backlog due to a large number of people in Newcastle residing in informal settlements, backyard shacks and poorly developed traditional housing structures. The low cost housing need in Newcastle is currently estimated at 74 991 units with the majority concentrated mainly in the Newcastle-East area.	- Improved roll-out of the housing program in order to meet the housing demand. - Introduction of Community Residential Units (CRUs). - Provision of affordable housing opportunities for middle income to address the gap in the market. - Servicing of sites for people to build their own homes.

1.7.3.Municipal Transformation and Organisational Development.

Over the last few years, Newcastle Municipality has gone through a process of fundamental transformation as an organisation with the intention of developing sufficient organisational capacity for an effective performance of municipal functions. As such, a new organogram was developed and is currently being implemented. The majority of critical positions, particularly those of Strategic Executive Managers and Directors have been filled. Management committees have been restructured and new systems and procedures introduced. The new challenges facing the organisation are none other than those of a learning and growing organisation and include issues such as gender equity, cascading down the organisational culture down the hierarchy, horizontal integration of development programmes, etc.

1.7.4.Local Economic Development.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Over the last few decades, the economy of Newcastle Municipality experienced variable trends marked, in all, by shifts from one sector to the other and a general decline in both output and performance thereof.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Review of the NLM LED Strategy. - Development of bulk services and economic zones.
There has been a general decline in coal mining activity with Newcastle and the same applies for agricultural activity. This has led to the shedding of jobs hence increasing the levels of unemployment within Newcastle.	- Promotion of coal mining activity through the NLMs Revenue Enhancement Strategy. - Conservation of agriculturally valuable land. - Provision of support to SMME development particularly towards agrarian reform.
General decline in the manufacturing sector due to structural changes coupled with the poor performance of global financial markets.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Strategic support and assistance to industry.
Unemployment, poverty and inequality fuelled by the concentration of employment opportunities in and around the Newcastle CBD.	- Improved roll-out of the LED program. - Promotion of urban agriculture in the denser urban settlements. - Assistance and support to SMMEs particularly within the MBO area.
Vacancy of the Madadeni Industrial Centre due to its inability to attract investments.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Strategic support and assistance to industry. - Skills training and development. - Development of relationships between industry and SETAs and other tertiary training institutions.
Concentration of private investments within the nodes of Newcastle-West (primary CBD node) and Newcastle-South (regional node), with minor investments to the nodes within the Newcastle-East area (Madadeni, Blaauwbosch, Osizweni). This has implications on the community's transportation	- Fast-track JBC Urban Hub Precinct Plan to attract public investment, funding and private, community investment to unlock social and economic potential of the area - Revitalization of township economy

DEVELOPMENT CHALLENGES	RECOMMENDATION
economics through increased costs in order to access the related services within these few nodes.	- Continued rejuvenation and/or transformation of the Madadeni and Osizweni CBDs through urban renewal programs.

1.7.5.Financial Viability and Management.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Inadequate revenue collection systems within the municipality.	- Introduction of new technology towards improving revenue collection .i.e. water smart meters, prepaid electricity. - Strategic support and assistance to industry.
Low recovery of amounts owed for rendering of municipal services from consumer debtors.	- Outstanding accounts with no queries to be forwarded to the respective consumers for making the necessary payment arrangements. - Indigent verification. - Capacitating of staff and field workers.
Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts.	- Appointment of field workers. - Investigate the possible use of a service provider for meter reading as compared to performing the function in-house.
Lack of advice to Council on revenue enhancement mechanisms.	- Updated financial plan. - Capacity building towards revenue enhancement and the related mechanisms.

1.7.6.Good Governance and Public Participation.

The Newcastle Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

However, the functionality and effectiveness of the ward committees remains a major challenge. Some of these are not unique to Newcastle Municipality as they relate to the design of the ward committee system as well as the procedures for their operation. As such, they are systemic in nature and should be addressed as part of government programmes to deepen democracy. Synergistic relations should also be strengthened with the business community, farmers associations, organised labour and other stakeholders.

1.7.7.Cross-cutting issues.

DEVELOPMENT CHALLENGES	RECOMMENDATION
The town serves as an administrative and economic hub for the North-Western part of KwaZulu-Natal, including the whole of Amajuba District and some of the surrounding areas in the Ubuhlebomzinyathi District and the Mpumalanga Province. However the key question raised relates to whether or not NLM is developed with sufficient infrastructure including adequate capacity to play its role as a sub-regional economic hub.	- Infrastructure Master Plan. - Absorption and retainment of highly skilled personnel within NLM.
There's been a rapid increase in the rate of urbanization in Newcastle resulting in the development of settlements along P483, in particular, linear settlements such as KwaMathukuza, JBC towards the Khathide area. Rapid urbanization bring with it many problems and places huge demands on the need for land, municipal services, housing, transportation and employment.	- Spatial integration through densification, gentrification and compaction. - Establishment of service delivery centers. - Sustainable human settlements.
NLM can broadly be defined as a region exhibiting a legacy of poor apartheid planning through an inefficient spatial pattern. This includes the low-density urban sprawl which is fuelled in the Newcastle-West area by anti-city values of suburbia that promotes large plots as an image of good urban living, a cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighborhood unit or super block, and the separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes.	- Spatial integration through densification, gentrification and compaction. - Development of community residential units (CRUs) in order to achieve higher densities within the urban areas.
Poor quality of the environment manifested in the form of deteriorating water quality, poor air quality, poor waste disposal and collection thereof, and a general lack of open spaces within NLM.	- Development of a climate change strategy. - Environmental awareness campaigns. - Development of positively performing open spaces. - Air quality management. - Water conservation awareness campaigns. - Planting of trees.
High levels of poverty attributed to general low levels of income and skilled labour.	- Improved roll-out of the LED program. - Promotion of urban agriculture in the denser urban settlements. - Assistance and support to SMMEs particularly within the MBO area. - Skills training and development.
Disparities regarding residential densities within the municipality. Higher densities are found closer to established nodes as well as informal settlements. Subsequently the lower densities are found on the peri-urban areas located within the urban edge and	- Spatial integration through densification, gentrification and compaction.

DEVELOPMENT CHALLENGES	RECOMMENDATION
other rural nodes beyond the urban edge. This has resulted in a disintegrated spatial pattern characterized by uniform, irregular, random and concentrated residential densities at specific areas.	
Lack of sufficient GIS data pertaining to the environment.	- Improved alignment with environmental management custodians such as KZN Wildlife as well as the World Wildlife Fund in order to align and streamline priorities towards improved environmental management and also data sharing. - Finalization of the environmental management framework.
The NLM waste disposal site is nearing the end its carrying capacity hence its lifespan.	- Establishment of a new landfill site.

1.8. STRATEGY TOWARDS ORGANISATIONAL DEVELOPMENT.

1.8.1.Long Term Vision and Mission.

Newcastle Municipality's long-term development vision was formulated within the context of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make Newcastle a better place and improve the quality of life for those who work and/or live in NLM.

The vision is based on the following overarching principles:-

- Sustainability.
- Integrated development.
- Equitable access to basic services and public facilities.
- Efficient and effective delivery of services.

1.8.2.Vision 2035.

BY 2035, NEWCASTLE WILL BE A RESILIENT AND ECONOMICALLY VIBRANT CITY, PROMOTING SERVICE EXCELLENCE TO ITS CITIZENS.

1.8.3.Mission Statements.

NEWCASTLE LOCAL MUNICIPALITY TOGETHER WITH ITS CITIZENRY, COMMITS TO REALIZE ITS VISION THROUGH INNOVATIVE SERVICE EXCELLENCE, ACCELERETATED SERVICE DELIVERY, SUSTAINABLE INFRASTRUCTURE DEVELOPMENT,

PROMOTING SOCIO-ECONOMIC DEVELOPMENT AND SPATIAL INTEGRATION.

1.8.4.Priority Development Issues.

- Sound Financial Management/Viability (incl. Debt collection and management);
- Improved access to basic service delivery (i.e. water, sanitation, electricity, housing, waste removal);
- Local Economic Development (eradication of poverty and unemployment);
- Improved quality of roads and stormwater infrastructure (including sidewalks);
- Environmental sustainability (environmental conservation/management);
- Accelerated Municipal Transformation and Corporate Development;
- Improved access to public facilities (including educational facilities – provincial mandate);
- Improved community safety;
- Improved access to basic health services (NB: provincial mandate); and
- Improved access to land (including Land Reform).

1.8.5.Development Strategy.

The development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short-to-medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a developmental path as follows:-

- To develop Newcastle as a service and industrial hub.
- To eradicate all forms of poverty and destitution/indigence.
- To be an example of service and governance excellence.
- To improve the quality of life.
- To achieve environmental sustainability.
- To promote gender equality and empowerment.

In the short-to-medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accelerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:-

- ***Spatial integration and environmental sustainability:*** Particular focus will be paid on the development and implemtation of systems and procedures for effective land use and environmental management.

- ***Local economic development:*** The municipality has a responsibility to create a climate conducive for the flourishment of both public and private sector investments. As such, the municipality is committed to working with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service to the business sector.
- **Service delivery and infrastructure development:** The NLM is the sphere of government that is closest to the communities. This bestows a huge responsibility to deliver services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.
- **Municipal transformation and organisational development:** The attainment of development goals as outlined above requires the municipality to establish effective systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.
- **Financial viability and management:** Funds will be a critical input in the process towards the attainment of the abovemenioned goals. Due to such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is the ability to account for the use and disbursements of public funds.
- **Good governance and public participation:** The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

1.9. PERFORMANCE MEASURES.

1.9.1.Intended Impact.

Everything that NLM does should be done to impact as much as possible on the social and economic development of the area. In particular, the municipality will strive to provide services that meet the basic needs of the poor in their communities in a cost-effective and affordable manner. This can be achieved in two ways:-

- The NLM will provide some relief for the poor. Through Government policy, NLM is to provide a free basic amount of services for water and electricity to households that do not have access to these services. NLM will also promote social development through arts and culture, the provision of recreational and community facilities, and the delivery of social welfare services.
- NLM will work in partnership with local businesses to improve job creation and investment. It is not the role of NLM to create jobs but it will take active steps to improve the conditions for the creation of employment opportunities in the area. This includes preferential procurement of services.

- As a developmental local government, NLM will provide leadership to all those who have a role to play in achieving local prosperity and IDP is a critical tool in this regard.
- Municipal Councils such as the NLM play a central role in promoting local democracy. In addition to representing community interests within Council, Councillors will ensure that citizens and community groups are involved in the design and delivery of municipal programmes (Community Based Planning). Ward Committees and community consultation are important ways of achieving greater involvement.
- The municipality will also provide support to individual and community initiatives, and direct them to benefit the area as a whole. The involvement of youth organisations in this regard is of particular importance.

1.9.2.Performance Management System.

The performance management system is a tool to monitor progress regarding municipal service delivery. It enables the municipality to focus on priorities within an increasingly complex and diverse set of demands and to direct resource allocations and institutional systems to a new set of development objectives. Newcastle Municipality's performance management system was developed in line with Chapter 6 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) which requires local government to:-

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- Publish an annual report on performance management for the Councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
- Conduct an internal audit on performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

Newcastle Municipality's Organisational Performance Management System monitors the implementation of the IDP, and provides for corrective measures where there is insufficient progress. The PMS is based on a policy framework and covers the whole organisation. The framework caters for the development, implementation and roll-out of performance management within the Newcastle Municipality. This includes the alignment of the PMS process to that of the IDP and budget as is required in terms of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003). The following are some of the key aspects of this system:-

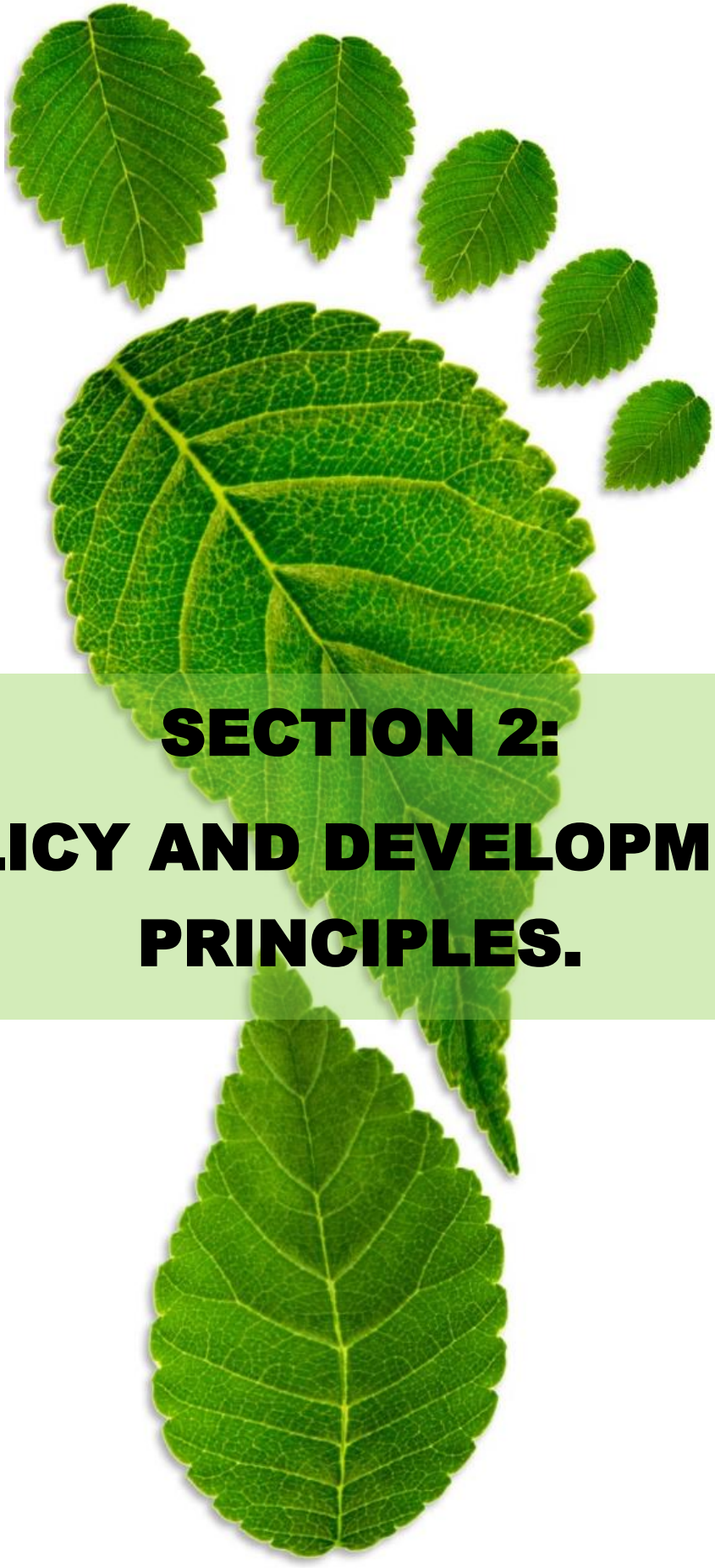
- Performance contracts which include performance plans for all section 57 employees.
- Service Delivery and Budget Implementation Plan.

- Organizational Scorecard.
- Annual report.
- Quarterly performance reviews.

The objectives of Newcastle Municipality's Organizational Performance Management System are as follows:-

- Facilitate increased accountability;
- Facilitate learning and improvement;
- Provide early warning signals; and
- Facilitate decision-making.

Performance management may be defined as a strategic process to management (or system of management) which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continually monitor, periodically measure and review the performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact. Regulations 7 of the Performance Management Regulations (2001) requires every municipality to develop a performance management system (PMS). In addition, Regulation 13 of the Performance Management Regulations requires that the municipality must, after consultation with the community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and targets set by it.



SECTION 2:

POLICY AND DEVELOPMENT PRINCIPLES.

2. POLICY AND DEVELOPMENT PRINCIPLES.

Planning and development in NLM occurs within the national, provincial, and district policy framework, and provides for the implementation of the priorities as outlined in these documents.

2.1. NATIONAL POLICY FRAMEWORK.

2.1.1.National Development Plan.

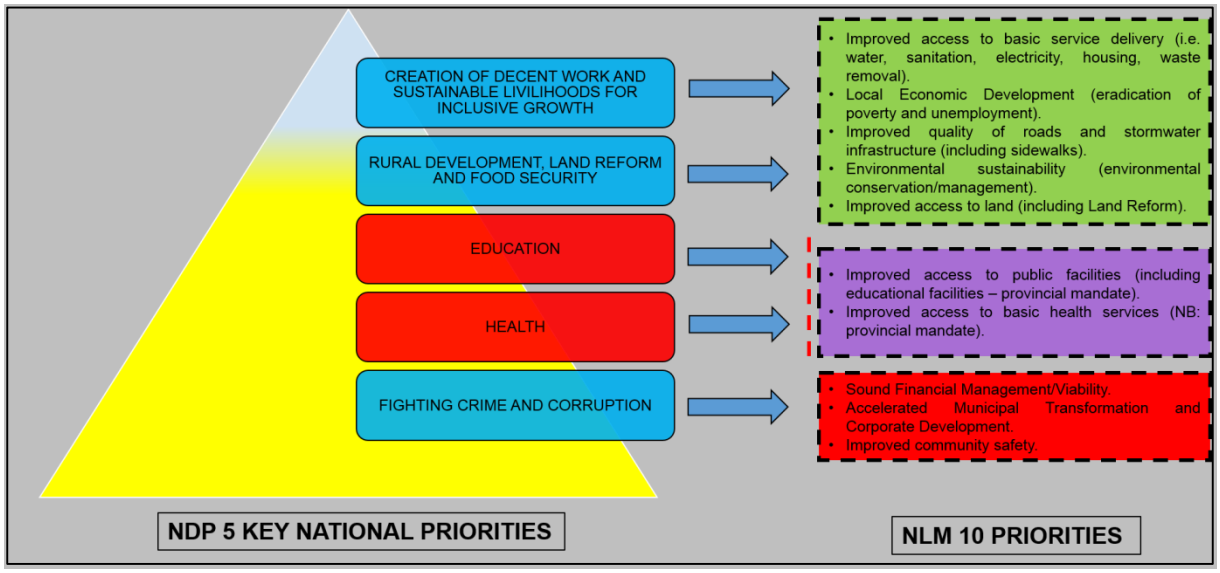


Figure 4: Newcastle Local Municipality IDP Priority Issues aligned to the National Priorities.

The national development vision is outlined in various national policy documents, and consolidated in the National Development Plan (NDP). The National Development Plan is presented in 15 chapters, addresses the major thematic areas facing the country in detail, and outlines a national development strategy. It focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities. As such, the NDP sets out clear objectives and targets as follows:-

The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.

- The public works programme should be broadened thus to expand and cover 2 million fulltime equivalent jobs by 2020.

- The labour force participation rate should rise from 54% to 65%. The cost of living for the poor households should be reduced together with the cost of doing business through microeconomic reforms.
- The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.
- A comprehensive management strategy to be developed including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- To create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

The National Development Plan requires local government to play a meaningful and active role in ensuring the implementation of the vision 2030. The plan compels local government to be service delivery oriented in ensuring that the following is achieved:-

- A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.
- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, support to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments.
- A strong and efficient spatial planning system, well integrated across the spheres of government.
- Upgrade of all informal settlements on suitable, well located land by 2030.
- More people living closer to their places of work and better quality public transportation.
- More jobs in or closer to dense, urban townships.
- Develop a strategy for densification of cities and resource allocation to promote better located human settlements.
- By 2030, people living in South Africa should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they are to enjoy an

active community life free of fear. Women are to walk freely in the street and the children play safely outside.

The aim of the Plan was to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development.

2.1.2.14 National Outcomes.

The IDP adopts an outcome based approach in line with the national government priorities and the associated 14 outcomes (refer to Box 2 below). Early in the National Cabinet, adopted were twelve outcome areas that collectively address the main strategic priorities of government. Subsequently, two new outcomes were introduced making it 14 national outcome areas aimed at addressing government priorities. The strategic objective of the outcome based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

Box 2: 14 National Outcomes:-

1. An improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All South Africans should be safe and feel safe.
4. Decent employment through inclusive growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable, sustainable rural communities with food security for all.
8. Sustainable human settlements and an improved quality of household life.
9. **A responsive, accountable, effective and efficient local government system.**
10. Environmental assets and natural resources that are well protected and enhanced.
11. A better Africa and a better world as a result of South Africa's contributions to global relations.
12. An efficient and development-oriented public service and an empowered, fair and inclusive citizenship.
13. An inclusive and responsive social protection system.

High level Negotiated Service Delivery Agreements (NSDA) based on these outcomes have been concluded between the President and national ministers. The National Outcome Nine (9) commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is responsive, accountable, effective, and efficient. In line with Outcome 9 (refer to Box 3), Newcastle Municipality's IDP responds directly to issues facing the area and its communities with the aim of rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management.

Therefore, alignment with the relevant sector frameworks and programmes across the spheres of government is critical.

2.1.3.Local Government Outcome 9.

As an effort to focus government initiatives and manage public expectations, the national government has adopted an Outcome Based Approach. Based on the Medium Term Strategic Framework (MTSF), 14 outcomes have been identified (refer to Box 2). Outcome 9 deals with local government and affects Newcastle Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective, and efficient local government system that is part of a developmental state. The government has identified the following Outputs for Outcome 9:-

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme.
- Output 4: Actions supportive of the human settlement outcome.
- Output 5: Deepen democracy through a refined Ward Committee Model.
- Output 6: Administrative and financial capability.
- Output 7: Single window of coordination.

2.1.4.Strategic Infrastructure Project (SIP).

Government recently adopted an Infrastructure Plan that is intended to transform the economic landscape of South Africa, create a significant number of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies. The Presidential Infrastructure Coordinating Commission (PICC), with its supporting management structures, has been established to integrate and coordinate the construction of long term infrastructure.

The plan is based on an objective assessment of the infrastructure gaps through spatial mapping which analyses future population growth, projected economic growth and areas of the country which are not served with water, electricity, roads, sanitation and communication. Based on this work, seventeen Strategic Infrastructure Projects (SIPs) have been developed and approved to support economic development and address service delivery in the poorest provinces. Each SIP comprise of a large number of specific infrastructure components and programmes.

Among the 17 projects are the initiatives to improve the movement of goods through the Durban-Free State-Gauteng logistics and industrial corridor by prioritising a range of rail and port improvements, supported significantly by a R300-billion investment programme by Transnet over the coming seven years. One of the rail links targeted

for upgrading runs through Newcastle and is the main Durban Johannesburg link. Subsequent to this is the upgrade and expansion of the N11 road linking the city of EThekwini in Durban, via Newcastle to Johannesburg and Mpumalanga Province. These infrastructure programs are meant to boost the economy of the country in order to achieve the vision 2030. In conclusion, Newcastle has also been identified as one of the Industrial hubs with particular emphasis on the manufacturing sector which is textile and chemicals.

2.1.5.State of the Nation Address (SONA) 2018.

In the recent State of the Nation Address held on the occasion of the Joint Sitting of Parliament in Cape Town, the newly elected President, President Cyril Ramaphosa outlined national government priorities for the year 2018. He briefly stated the theme of the SONA as centered on the celebration of the centenary of two giants of the struggle, Former President Nelson Mandela and Albertina Sisulu. He declared that the focus for the government for the forthcoming year would be to realize the visions of these two leaders which were based on a democratic, just and equitable society; cultivating leaders who would be ethical in their strides of serving the country and the promotion of gender equality. The President outlined that this would indeed be a new era for South Africa, one that is free of all negativity and lack of trust in public institutions and one that reaffirms all citizens beliefs that truly South Africa belongs to all who live in it. In the same way, the president mentioned the key issue of unemployment as having a negative impact on the economy and therefore directing all efforts in its alleviation would be the focus of the Nine-Point-Plan.

❖ The 9 Point Plan.

1. Resolving the energy challenge;
2. Revitalizing agriculture and the agro-processing value chain;
3. Advancing beneficiation or adding value to mineral wealth;
4. More effective implementation of a higher impact Industrial Action Policy Action Plan (IPAP);
5. Encouraging private-sector investment;
6. Moderating workplace conflict;
7. Unlocking the potential of SMMEs, cooperatives, townships and rural enterprises;
8. Boosting the role of state-owned companies, information and communication technology infrastructure and broadband roll-out, water, sanitation, transport infrastructure as well as science, technology and innovation;
9. Operation Phakisa.

❖ Objectives of the Presidency.

The objectives for the year 2018 as outlined by the President were centered on:-

- Job creation;
- Building of adequate infrastructure;

- Making certain that public institutions are part and parcel in the fight against crime and corruption; and
- Radical Economic transformation

❖ Poverty and unemployment.

The President reflected on past success stories of the ability of the government to improve the lives of citizens by the creation of 3.2 million job opportunities, the reduction of the cost of living for the poor by the provision of Governments free basic services programme, the delivery of 17 million social grants and the provision of basic education. He mentioned that the slow pace of economic growth and the lack of public finances were mitigating factors of repetitive inequality hovering over the country. Furthermore, he stated that the goal for the government of the day was to reverse inequality by pursuing economic growth and investment opportunities.

❖ Economic Growth.

Regarding economic growth, the President reiterated that the creation of job opportunities was the epicenter of the national agenda. He stated that the way to transform the slow rate of economic growth was through the inclusion of the youth within the job market. The introduction of the job summit to align efforts with all sectors and businesses by beginning discourse regarding job creation and reindustrialization in this regard will be a catalyst for this. The President echoed that the reinstatement of confidence among investors was of utmost importance in the prevention of a downgrade, to this end, the introduction of an investor's conference will be held. Another area that has been in decline, the President mentioned as having the power to reinstate the economy through increase in employment and exports is the manufacturing sector. He pointed out that the revival and investment in such a sector would be increased by the introduction of incentives; the localization programme where products (i.e. Furniture, textiles, and clothing) are procured locally; special economic zones and making sure that black and women producers are taking part in the sector by introducing legislation and programmes such as black industrialist programme. With that being said, the President mentioned an improvement in commodity prices; the rise of the stock market; the rand having strengthened and South Africa having been identified as an emerging market for 2018 among the few victories of the Republic.

❖ Radical Economic Transformation.

The focal point of radical economic transformation as stated by the President is the inclusion of women as partakers in the economy. He also noted infrastructure development as a key factor in transforming the economy and creating more jobs. He further elaborated the pressing issue of including the youth in economic activity, creating adequate job opportunities through programmes such as:

- Employment Tax Incentive;
- Youth Employment Services Initiative; and

- Youth Working Group.

❖ Mineral Resource Beneficiation.

With the revival of commodity prices, the President alluded to the mining sector as having potential to create job opportunities and attract investment. He further mentioned the need for the sector to undergo transformation through engagements and discourse on the Mining Charter. He also stated that the MPRDA Amendment Bill will act as a regulatory figure to advance socio-economic interests of all South Africans.

❖ Government Procurement.

He also ascertained the importance SMME's play in the economy, he mentioned that to ensure growth of these businesses, the government would have to direct 30 percent of public procurement to SMME's; cooperatives and township and rural businesses. An introduction of the small business and innovation fund and launching of Small Enterprise Finance Agency called the Amavulandlela Funding Scheme he mentioned will reduce barriers to businesses and also open an abundance of opportunities to the disabled.

❖ Agrarian Reform and Land Reform.

The President outlined that agriculture largely contributed to the growth of the economy in 2017, hence he mentioned the need to tap into its full potential by introducing the land redistribution programme, this including but not limited to as guided by the resolution of the 54th National Conference of the governing party the expropriation of land without compensation.

❖ Tourism.

With tourism currently sustaining 700,000 jobs, the president mentioned that it was one of the sectors with great opportunity and hence South Africans should continually tap into its potential.

❖ Inter-telecommunications (ICT).

The President mentioned an introduction of the Digital Industrial Revolution Commission to make sure that the country utilizes its opportunities and manages their challenges by advancing information and communication technology.

❖ Trade (Import and Export).

South Africa is part of the countries that conceded to the Tripartite Free Trade agreement, the President mentioned that this will provide opportunities for South Africa to export products to well over 26 countries with a population of 625 million, this in itself will lean toward efforts of job creation and growth of the economy. The president

further elaborated that South Africa will take over the chair of BRICS, which will ensure value-added trade and investment.

❖ Labour (Minimum Wage).

In the efforts towards equality and maintaining economic growth, the President mentioned that on the 1st of March 2018, the first national minimum wage as a resolution of the Freedom Charter will be introduced to improve the lives of millions of South Africans.

❖ Access to water.

With the current water crisis, the President urged all South Africans to use water economically with caution to make sure that it is available to everyone.

❖ Improved Education.

As education is one of the factors that contribute to economic growth, reduction of poverty and the reduction of inequality; former President Jacob Zuma on the 16th of December indicated an introduction of full subsidized free higher education and training for the poor youth in first year level from households with gross combined annual income of up to R350,000, the President also mentioned that the Funza Lushaka Bursary programme will award 39 500 bursaries, furthermore the government will also direct its efforts to redefining learning and training for underprivileged schools with the Accelerated Schools Infrastructure Delivery Initiative programme. The president also mentioned important milestones reached with regards to the introduction of South African Sign Language in the National Senior Certificate examination and the phasing in of African languages in all public schools.

❖ Social Development.

With complying with instructions from the Constitutional Court, The president mentioned that there would be no disturbances in the dissemination of social grants to the poor.

❖ Health.

The President mentioned that 2018 would be a launch of the National Health Insurance to target the vulnerable people in South Africa. He stated that they will be scaling up interventions to deal with the HIV pandemic and moreover cancer campaigns will also be launched in order to deal with lifestyle diseases affecting South Africans.

❖ Crime.

In preserving the lives of South Africans, the President stated the need to introduce the Community Policing Strategy and the Youth Crime Prevention Strategy to equip communities with methods of dealing with crime. He further mentioned that they will

restore the capacity of police stations by distributing more resources to enable them to efficiently and adequately fight against crime.

❖ Institutional Transformation.

In efforts to reconfigure government departments as a cost cutting measure and to improve their functioning, the President mentioned that there would be a scaling down on the number and size of departments. To restore accountability in State Owned Enterprises, the President also asserted the need to deal with corruption so that these SOE's fulfill their economic and developmental goals. The commission of inquiry into state capture will also be on the agenda, headed by Deputy Chief Justice Judge Raymond Zondo.

❖ SARS Reform.

The launch of the Commission of enquiry into Tax Administration and Governance of SARS will be done with an end to restore its credibility and strengthen its capacity to meet revenue targets.

The President outlined the need for every government department and public servant to remember their mandate of serving and putting people first, a new order in doing this, is doing things timeously; correctly and completely. He stated that he will conduct planned visits in efforts to ensure that Local Government is responding to the plight of people and that South Africans are served with utter regard of the Batho Pele Principles.

The Newcastle Municipality obligates itself to fulfilling the mandate of government at a local government level. It seeks to make sure that it delivers an efficient level of services to its communities and strives to reach out to the areas which were previously marginalized in order to breach the gap on the basic service backlogs. The NLM commits itself to the fulfilment of government priorities and in the improvement of people's lives. Through the introduction of efficient LED Strategies, NLM will foster the creation of employment opportunities and SMME development within its jurisdictional area. The conservation of water and energy is of crucial importance hence NLM is committed to the creation of awareness at household level in order improve the efficient use of water and electricity. Furthermore, through the improvement of infrastructure within the jurisdictional area, a conducive environment for both domestic and international private investors will be created. NLM realizes that an effective Land Use Management System is vital for the conservation of valuable agricultural land. Thus we commit ourselves to the development of an efficient Land Use Management Scheme in order to facilitate Land Reform and Agrarian Reform.

SONA IN NUMBERS	
TOPIC	**COMMITMENT**
Anniversary	100th- The anniversary of the birth of former President Nelson Rolihlahla Mandela.
Population	57 million.
Employment	- 3,2 million employment opportunities created by public employment programmes. - 1 million public servants employed by the state. - 6 million working South Africans.
Social Development	- 3,5 million indigent households supported by government free basic services programme. - 17 million social grants being paid monthly to the third of the population. - 1 million children in early childhood development facilities.
Education	- 60, 6% matric pass rate in 2009. - 75,1% matric pass rate in 2017. - 1 million students enrolled in higher education in 2018. - 500 000 students enrolled in higher education in 1994. - 39 500 bursaries to be awarded by Funza Lushaka Bursary Programme for prospective teachers. - 1 million internships to be created in the next three years. - R350 000 gross combined annual income of households of first year students benefiting from free higher education in 2018.
Economy	- R57 billion is the amount to be spent on locally produced goods - 30% of public procurement to be set aside for SMME's, cooperatives and township and rural businesses. - R1,5 billion directed to the Small Business Fund established through CEO's initiative. - 26 countries markets will be combined by the free trade area. - 625 million is the population of 26 countries whose markets will be combined by the free-trade area.
Tourism	700 000 direct jobs sustained by the tourism industry.
Infrastructure Development	187 schools in rural and underprivileged urban areas across the country complete under the Accelerated Schools Infrastructure Delivery Initiative programme.
Health	2 million people to be initiated on antiretroviral treatment by December 2020.

2.1.6.Integrated Urban Development Framework (2016).

The Integrated Urban Development Framework is designed to unlock the development synergy that comes from coordinated investments in people and places and aims to guide the development of an inclusive, resilient and liveable urban settlements, while directly addressing conditions and challenges facing South Africa's cities and towns. This it does through a new approach to urban investment by the developmental state, which in turn guides the private sector and households in line with its vision which is as follows:-

"Liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life."

Due to a variety of cities and towns in South Africa with differentiated attributes that influence the respective roles they play and the requirements thereof, the vision has

to be interpreted and pursued in differentiated and locally relevant ways and this may be done through the introduction of the following 4 strategic goals:-

- **Access:** to ensure people have access to social and economic services, opportunities and choices.
- **Growth:** to harness urban dynamism for inclusive, sustainable economic growth and development.
- **Governance:** to enhance the capacity of the state and its citizens to work together to achieve social integration.
- **Spatial Transformation:** to forge new special forms in settlement. Transport, social and economic areas.

The 4 strategic goals mentioned above inform the priority objectives of the eight levers and these eight levers are premised on an understanding that:-

- Spatial Planning forms the basis for achieving integrated urban development, which follows a specific sequence of urban policy actions;
- Integrated transport that informs;
- Targeted investments into integrated human settlements, underpinned by;
- Integrated infrastructure network systems and;
- Efficient land governance, which all together can trigger;
- Economic diversification and inclusion;
- Empowered communities, which in turn will demand; and
- Deep governance reform to enable and sustain all of the above.

The following entails the Integrated Urban Development Frameworks 8 policy levers aimed towards addressing the structural drivers that will promote that current scenario of cities and towns:-

- **Policy Lever 1:** Integrated Spatial Planning.
- **Policy Lever 2:** Integrated Transport and Mobility.
- **Policy Lever 3:** Integrated and Sustainable Human Settlements.
- **Policy Lever 4:** Integrated Urban Infrastructure.
- **Policy Lever 5:** Efficient Land Governance and Management.
- **Policy Lever 6:** Inclusive Economic Development.
- **Policy Lever 7:** Empowered Active Communities.
- **Policy Lever 8:** Effective Urban Governance.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
Policy Lever 1: Integrated Spatial Planning.	Support and strengthen capacity to implement SPLUMA.	Expand the instruments for spatial intervention.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	Improve integrated planning and management. Maximise existing IGR structures as a mechanism for planning coordination. Ensure greater involvement by Premiers and MECs. Strengthen intergovernmental and long-term planning.	
Policy Lever 2: Integrated Transport and Mobility.	Clarify roles and responsibilities (institutional arrangements). Strengthen and integrate public transport modes. Identify core public transport nodes and corridors. Develop and operational subsidisation policy.	Monitoring and review of policies as required.
Policy Lever 3: Integrated and Sustainable Human Settlements:-	Finalise the Human Settlements White Paper. Accelerate the upgrading of informal settlements. Priorities the regeneration of the inner cities. Provide more housing options. Finalise the devolution of the housing function. Promote densification, including supporting backyarding in townships and low-cost housing neighbourhoods. Redevelop townships. Develop a national policy on inclusionary housing.	Monitoring and review of policies as required.
Policy Lever 4: Integrated Urban Infrastructure.	Institutionalise municipal long-term infrastructure planning. Consolidate and coordinate infrastructure funding. Strengthen partnerships and intergovernmental planning. Develop infrastructure as a bridge between rural and urban areas.	Initiation of plans for the second phase of long-term social and economic infrastructure development and the diversification of South Africa's economic base.
Policy Lever 5: Efficient land governance and management.	Simplify land-use planning and management. Rethink the role of the Housing Development Agency (HAD). Speed up land tenure. Promote land value capture.	Address the fragmentation in public land information.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	Consolidate and simplify the legislation governing the disposal of state land. Ensure legislative concepts are applied consistently. Address impacts of Traditional Authority areas within predominantly urban municipalities. Improve municipal access to land owned by the state and SOEs. Improve intergovernmental relations for the acquisition and transfer of state land.	
Policy Lever 6: Inclusive Economic Development.	Strengthen the economic role of municipalities. Strengthen municipal institutional capacity in economic development. Strengthen support for small and medium sized towns. Support municipalities in building and using economic intelligence. Initiate shared economic development strategies for cities and towns. Strengthen roles and leverage partnerships with other economic stakeholders. Improve relations between municipal councils and traditional authorities. Create the local conditions for supporting enterprise development and growth. Progressively improve inclusive economic infrastructure and services. Support community-based enterprises and work. Support livelihoods as a core principle of inclusive urban management.	Build distinctive strengths and extend/link regional economic value chains.
Policy Lever 7: Empowered Active Communities.	Complete the National Framework on Participatory Governance. Develop models for civic education.	Innovative Neighbourhood Empowerment.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	Establish and maintain public participation forums at various levels. Build institutional capacity to engage. Explore co-production mechanisms for finding solutions to local government services. Develop a social media strategy. Explore service delivery mechanisms for other social services.	
Policy Lever 8: Effective Urban Governance	Promote a stronger positioning of metro government. Strengthen intergovernmental and long-term planning and budgeting. Improve fiscal management to meet the demands of urban growth. Streamlining of national monitoring of municipal performance.	Establishment of a National Statutory Council

As a means to uphold the policy levers of the Integrated Urban Development Framework, Newcastle Municipality is committed to achieving IUDF's long and short-term strategic priorities at a local level through various measures such as integrated spatial planning through effective land use management systems and the development of the wall-to-wall scheme, the development of the integrated traffic and transportation plan, planning for the provision of sustainable human settlements, the delivery of a capital programme towards the development of infrastructure, and upholding local economic development through related programmes such as the Annual Newcastle Small Business Week. NLM's priorities and strategies are aimed at developing sustainable human settlements, improving spatial integration, and generating wealth and creating sustainable jobs. NLM promotes good governance by promoting a culture of public representation through its effective ward committee system. Newcastle's urban centers are multi-functional nodes, with strong transportation hubs incorporating a variety of land use activities such as commercial, retail, cultural and residential. The CBD provides employment for a large percentage of the population and links suburban and township populations through a transportation network. The CBD is also an important source of regional economic growth, and makes significant contributions to the GDP of the Amajuba District family of municipalities.

2.2. PROVINCIAL POLICY FRAMEWORK.

2.2.1. KwaZulu-Natal Provincial Growth and Development Strategy/Plan (2016).

KwaZulu-Natal Province's development vision is outlined in the latest version of the Provincial Growth and Development Strategy (PGDS) which reads as follows:-

"By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World."

The KZN-PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2035. It provides the province with a rational strategic framework for accelerated and shared economic growth through catalytic and development orientated interventions, with comprehensive and equitable spatial development initiatives aimed at putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. The PGDS asserts the beautiful Porvince of KwaZulu-Natal as the gateway to Africa and the world, and thus aims to build this gateway by growing the economy for the continued development and improvement of the quality of life of all the people living in the Province, whilst ensuring that those currently marginalised have broader socio-economic opportunities.

In the first generation of the KZN-PGDS (2011), particular focus was given to the provision of sustainable infrastructure and services, restoring natural resources, improving public sector leadership, delivery and accountability, resilience, innovation and adaptability. The new KZN-PGDS (2016) has identified as the biggest challenge, the continued social and economic exclusion of millions of South Africans, reflected in high levels of poverty and inequality. Therefore the focus for the KZN-PGDS (2016) will be on unlocking an expanded, sustainable and spatially balanced economic base. This will entail job creation that is labour intensive hence accomodating the marginalised sector of the population. Furthermore, the approach will also ential a prioritisation towards impoved education outcomes and skills development that is responsive to workplace demands.

The KZN-PGDS (2016) has identified structural constraints to growth within KZN and these are as follows:-

- Increasing unemployment, inequality and poverty;
- Weak demand due to intense international competition;
- Insufficient skills development and training;
- Weak partnerships between economic actors and stakeholders;
- A decrease in output within the agriculture and the manufacturing sector;

- Youth, women, and rural inhabitants' inability to fully participate in the economy; and
- Adaptation to climate change.

Significant milestones need to be achieved in order to address inherited social and spatial inequities that continue to inhibit the creation of safe, healthy and sustainble living environments. Municipalities need to be institutionally empowered with the requisite organisational capabilities and human resource competencies to bring life to Vision 2035.

The KZN-PGDS identifies 7 strategic goals and 30 strategic objectives designed to move the KwaZulu-Natal Province progressively towards the attainment of the 2035 development vision. These goals and objectives are as relevant to the Newcastle Municipality as they are for the KwaZulu-Natal Province, despite some not being direct functions of local government. In order to ralise Vision 2035, the following long-term goals have been identified to guide policy-making, programme prioritisation and resource allocation:-

NO.	STRATEGIC GOAL	NO.	STRATEGIC OBJECTIVE
1.	INCLUSIVE ECONOMIC GROWTH	1.1.	Develop and promote the agricultural potential of KZN
		1.2.	Enhance sectoral development through trade investment and business retention
		1.3.	Enhance spatial economic development
		1.4.	Improve the efficiency, innovation and variety of government-led job creation programmes
		1.5.	Promote SMME and entrepreneurial development
		1.6.	Enhance the knowledge economy
2.	HUMAN RESOURCE DEVELOPMENT	2.1.	Improve early childhood development, primary and secondary education
		2.2.	Support skills development to economic growth
		2.3.	Enhance youth and adult skills development and life-long learning
3.	HUMAN AND COMMUNITY DEVELOPMENT	3.1.	Eradicate poverty and improve social welfare services
		3.2.	Enhance the health of communities and citizens
		3.3.	Safeguard and enhance sustainable livelihoods and food security
		3.4.	Promote sustainable human settlements
		3.5.	Enhance safety and security
		3.6.	Advance social cohesion and social capital
		3.7.	Promote youth, gender and disability advocacy and the advancement of women
4.		4.1.	Development of seaports and airports

NO.	STRATEGIC GOAL	NO.	STRATEGIC OBJECTIVE
	INFRASTRUCTURE DEVELOPMENT	4.2.	Develop road and rail networks
		4.3.	Develop ICT infrastructure
		4.4.	Ensure availability and sustainable management of water and sanitation for all
		4.5.	Ensure access to affordable, reliable, sustainable and modern energy for all
		4.6.	Enhance KZN waste management capacity
5.	ENVIRONMENTAL SUSTAINABILITY	5.1.	Enhance the resilience of ecosystem services
		5.2.	Expand the application of green technologies
		5.3.	Adapt and respond to climate change.
6.	GOVERNANCE AND POLICY	6.1.	Strenghten policy, strategy coordination and IGR
		6.2.	Build government capacity
		6.3.	Eradicate fraud and corruption
		6.4.	Promote participative, facilitative and accountable governance
7.	SPATIAL EQUITY	7.1.	Enhance the resilience if new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
		7.2.	Ensure integrated land management across the Province, ensuring equitable access to goods and services,attracting social and financial investment

For the 2016 KZN-PGDS to deliver on shared growth and integrated, sustainable development through its interventions, all spheres of government must commit to the following:-

a) The incorporation of the strategic goals and objectives in their prioroties and programmes; effective participation in the institutional implementation framework;

b) The implementation of catalytic projects and interventions;

c) The provision and allocation of the required support and resources; and

d) The reporting of progress.

The KZN-PGDS (2016) is implemented through the KZN-PGDP (2016) which provides a platform for departmental, sectoral and stakeholder annual performance planning, thus guiding the allocation of resources. The main focus of the KZN-PGDP is to drive the implementation of the KZN-PGDS in a coordinated and integrated manner, where progress can be measured against predetermined targets and where roles and responsibilities have been confirmed within established lines of accountability. The immediate focus of the KZN-PGDS (2016) , in terms of the timeframes, is target 2020.

Spatial representation and/or implementation of the KZN-PGDP is made possible through the KwaZulu-Natal Provincial Spatial Development Framework (KZN-PGDS 2016) which aims to stregnthen linkages between the three spheres of government for ptimising the returns on public investment to the benefit of affected communities and industries. The envisaged spatial vision for KwaZulu-Natal may be summarised as follows:-

"Optimal and responsible utilisation of human and environmental resources, building on addressing need and maximising opportunities towards greater spatial equity and sustainability in development."

In order to achive the spatial vision, as a starting point, the KZN-PGDS (2016) has employed the concept of spatial sustainability which includes Environmental Integrity, Social Equity, and Economic Efficiency, and the following principles are applicable:-

- Sustainable communities;
- Economic potential;
- Environmental Planning;
- Sustainable rural livelihoods;
- Spatial concentration and urban development;
- Local self-sufficiency;
- Coordinated implementation;
- Accessibility; and
- Balanced development.

The following entails the KZN-PESDF's general spatial intentions of the KZN-PGDS, and the guiding principles which should, ideally, be pursued within all levels of spatial planning, at district and local level, in order to ensure alignment with the provincial development strategy:-

KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK	NEWCASTLE LOCAL MUNICIPALITY
Environmental Sensitivity and Resilience: These are identifed conservation corridors which are also areas of environmental significance to the sustainable development of the entire province.	The area west of the Newcastle CBD, up along the municipal boundary towards the north, has been identified as being part of the Protected Areas Expansion Strategy, with small pockets of either Landscape Corridors/Forest Wilderness Area/Ezemvelo Protected Areas/Private Nature Reserves.
Priority Social Intervention Areas: These are areas identified as being in need of some form of social intervention based on an analysis of the applicable social dimensions.	The majority of the area west of the Newcastle CBD has been identified as having a Medium-to-Low Need for social intervention, with just a small pocket being identified as having a Medium-to-High Need for social intervention. Furthermore, up north

KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK	NEWCASTLE LOCAL MUNICIPALITY
	towards the municipal boundary, there are areas which have been identifed as having a Medium Need for social intervention. Pockets of High, Medium-to-High, and Medium Need for social intervention have been identified in the area that is east of Newcastle CBD (i.e. black township area which is previously disadvantaged and predominantly dominated by black inhabitants).
Priority Areas of Economic Activity and Potential: Based on the current economic activities in the KZN Province, these are areas derived from the performance of the lead sectors of the KZN economy, augmented by areas with further development potential as identified in competitive assessments of the Metro and districts in the KZN Province.	The majority of the area west of the Newcastle CBD has been identified as Priority Agriculture, with small pockets being identified as Tourism. The area that is immediately within the vicinity of the Newcastle CBD has been identified as Economic Value Adding Areas, whereas the majority of the Newcastle east area is identified as having very small pockets of Potential Agriculture. Up north, along the N11 route, the area has been identified for Tourism, and small pockets with Mining Rights.
Levels of accessibility to public and private sector services: These are areas where accessibility to public and private sector services are proving to be a restriction to the development of a particular area. These are used as a reference point to determine priority of government intervention.	In terms of the urban accessibility index, the majority of Newcastle is regarded as 1.25 to 2 hours regarding the efficiency in accessing both the public and private sector services.
Provincial Nodes in relation to Priority Interventions: This entails the nodes as identified within the KZN-PSEDS (KwaZulu-Natal Provincial Spatial Economic Development Strategy).	Newcastle has been identified as KZN-PSEDS Node No. 2, with the majority of the area being identified as having potential to be an Agricultural Service Area. There are also areas within Newcastle which were identified as Protected Areas and also Landscape Corridors mainly significant for tourism development.
Composite Provincial Spatial Development Framework: This entails a combined spatial representation of certain components that are of economic significance to the KZN Province.	Newcastle municipality has been identified as being along a Secondary Corridor, the N11 National Route. As mentioned within the section that covers Prioroty Areas of Economic Activity and Potential, the area within the vicinity of the Newcastle CBD has been identified as an Economic Value Adding Area. We have also been identified as KwaZulu-Natal's Secondary Node, which

KWAZULU-NATAL PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK	NEWCASTLE LOCAL MUNICIPALITY
	is basically an urban centre with good existing economic economic development and the potential for growth and services to the regional economy. Furthermore, the are pockets of areas which have been identifed as being part of either a Protected Area/Landscape Corridors/Protected Areas Expansion Strategy. The majority of the area east of the Newcastle CBD has been identifed as an Agricultural Service Area.

In light of the above, it is worth stating that the agricultural sector is key in order to address poverty within the province of KwaZulu-Natal since most of the areas are currently experiencing high levels of poverty, more specifically within rural areas. The agricultural sector's contribution towards the provincial economy is minimal, but has the potential to increae if its full potential is realised. The commercial agricultural sector is the major employer within major municipalities and forms the economic anchor of such municipalities. Subsistance agriculture is regarded as the most important source of sustanance for a majority of rural households. The challenge towards reducing unemployment and poverty may be addressed through a transformation of commercial agriculture and an improvement to the linkages between the first economy commercial agriculture and the second economy subsistance agriculture in order to develop subsistance agriculture into small-scale commercial agriculture.

Agrarian Reform, coupled with effective Land Reform, both are identified as key instruments towards achieving agricultural development. The first round of the KZN-PGDP identified Newcastle as having high agricultural potential. The implications thereof to local government is the need to develop strategies towrds developing agricultural potential within Newcastle, with emphasis being placed on the need to release concealed potential which mostly exists in the Ingonyama Trust Lands. Furthermore, there is a need to provide support through expediting of the land reform initiatives in the KZN Province. The agricultural potential may further be boosted through unleashing the potential of the Ingonyama Trust Land through improved communication and alignment of local government initiatives with those of the Tribal Authority.

The potential for industrial development in KwaZulu-Natal is anchored by the nodes of eThekwini and Umhlathuze. The corridors between these two nodes and extedning up to Howick from the primary zone of industrial development in the province are also realised as areas with potential for industrial development. The cities of Newcastle, Ladysmith and Port Shepstone serve as imprtant secondary nodes of industrial

development potential to support economic growth and job creation. In terms of tourism, the areas of national tourism potential within KZN are the Southern Zululand and Dolphin Coast, the Elephant Coast and surrounds, the greater Pietermaritzburg and Durban region, and the Drakensbeurg region. The following entails a list of the tourism products that are of provincial significance:-

- Arts and crafts routes in Midlands Meander and Albert Falls Amble;
- Durban, South-coast and North-coast Beach Tourism linked to cultural tourism in the interior Drakenberg region;
- Greater St. Lucia and surrounding big five reserves;
- Zulu Heriateg and Cultural Trail; and
- Battlefields Route.

An analysis of the economic contribution within the various sectors in the districts of the KZN province inidcate that, with the exception of two districts, the service sector (i.e. government services) is the largest contributor to district economies. The service sector is in fact the largest sector in the provincial economy, contributing 52,8% to GDP. The sector comprises of the following:-

- Wholesale/trade;
- Transport/storage;
- Communication;
- Real estate;
- Business services;
- Community/social/personal services; and
- Government services.

The strategy of the PGDS builds on the concept of developing a comprehensive network of centres throughout the province which will support the delivery of services. Services delivered will be determined by various nodes according to the hierarchy of places. In identifying the hierarchy of places, existing service centres are strengthened, and new or emerging service centres are developed. Also supported is the principle of shared service centres in the smaller rural centres across the KZN province. It is envisaged that in time growth and development in these rural service centres may lead to the realisation of further economic development and activity, justifying additional government investment in the three sectors already discussed. Newcastle is identified as having High Economic Potential, and has the ability to perform as a shared service centre for the surrounding more rural settlements within the region. Newcastle has well-developed retail and trade sector, well-developed transportation and the related infrastructure, access to community services and social services, and well-developed business and government services. Newcastle is also regarded as a place where the development of all the four major sectors of the economy have been identified i.e. Agriculture, Tourism, Industry and Services sector. In simple terms, Newcastle is has multi-sectoral economic potential.

2.2.2.State of the Province the Address (SOPA) 2018.

The SOPA (2018) as articulated by the Honourable Premier of KZN Mr. T. W. Mchunu was a reiteration of the importance of the attainment of the objectives as set out by the President of the republic, President Cyril Ramaphosa in the SONA. Similarly, the speech by the Honourable Premier echoed the celebration and the dedication of the year 2018 to the fulfilment of Nelson Mandela and Albertina Sisulu's visions. The Premier further mentioned the hardships of the past year encountered by the country and in turn the province. Political instability, the downgrade of the country and the failure of state institutions to fulfil their mandate were amongst the challenges that threatened the country's and Province's progress. However the premier mentioned a positive outlook for the forthcoming year with the upward adjustment of the World Bank projections for growth and the improvement of the rand is set to improve investor confidence and therefore create job opportunities and improve the economy wholly.

The Honourable premier further elaborated on the national economic outlook, he mentioned a 1.5% growth projection, he however reiterated on the tight budget as stated by the former Finance Minister Malusi Gigaba and additionally alluded to reduced expenditure and the implementation of stringent measures especially on municipal budgets. With this being said, the premier mentioned that one way to ensure an all-rounded economic growth is through radical economic transformation, ensuring that there is an inclusive economic output by creating opportunities for employment and business. Initiatives by the Trade and Investment KZN and Growth Coalition (One Stop Shop), focusing on progressive sectors (manufacturing, agriculture and tourism), land reform programmes, linking manufacturing and agricultural sectors (Agri-Village Programme), initiating programmes to promote inclusivity (Radical Agrarian Socio-Economic Transformation and the Black Industrialist Programmes) Public Work programmes and the Sustainable National Youth Service (SNYS) will create more jobs, decrease the current provincial unemployment rate which currently sits at 38,6% and in that improve the province's economic growth trajectory. The Premier also alluded to the actuality that investing in education (Provincial Integrated early Childhood development action Plan, R375 million to fund 3500 bursaries) and greater human development will also contributed to inclusive economic growth.

In ensuring the eradication of poverty and inequality, the premier mentioned that these are the social programmes that have been initiated that have to be accomplished in order to ensure an equal society. Operation Sukuma Sakhe (OSS), the Poverty Eradication Master Plan, Social Cohesion and Moral Regeneration Strategy and KZN Crime Prevention Strategy, the linkage of the Poverty Eradication and the RASET and OSS for effective service delivery, the Prevention Programmes and Phila Mntwana are programmes set to accomplish this set goal. The Honourable Premier went on to reiterate the Presidents call for the National Health Insurance to ascertain that all citizens receive adequate health care. In dealing with crime and corruption within the Province, the Premier mentioned an establishment of the Moerane commission of

Enquiry into political killings in the Province. Furthermore he mentioned the decrease in crime statistics by 2.9% but however mentioned an increase in the commission of drug related crimes. To this end, the Premier mentioned the holding of crime Summits, VSCCP recruitment of more volunteers and the Moral regeneration Council to finalize the strategy in eradicating crime. The Premier also touched on the importance of shielding and protecting women and children from all types of abuse within the Province.

The Premier stated erratic weather conditions as being a cause of considerable amounts of damage in the previous year, with one storm causing damage of 1,2 billion. However he mentioned a need to move away from unsustainable land uses and causing degradation to the land that affords us economic opportunity, he therefore mentioned the need to abide in COP agreements. In restoring citizen's confidence in government institutions, the Premier mentioned the KZN Provincial government's heed to the needs of its people in a responsive manner. To this end the Premier mentioned the inherent vision for the realization of vision 2035, he also mentioned a need to align all Provincial Policies with the NDP and facilitating Municipal IDPs and WBPs for efficient implementation. Furthermore to ensure good intergovernmental relations are developed within the Province, a Provincial framework needs to be developed. Clean audits for all Provincial Departments and lifestyle audits of officials and making sure municipalities abide to the Back to Basics Programme are also means of ensuring accountable and transparent government institutions and in that restoring investor confidence.

In conclusion, the SOPA was based on accomplishing the theme for the year 2018, in "leading with integrity towards growing an inclusive economy, for integrated and effective service delivery to improve the quality of life".

2.2.3.Amajuba District Growth and Development Plan.

The development vision of the Amajuba District is further detailed with the recently developed Amajuba District Growth and Development Plan which is essentially an attempt to cascade the development vision of the KZN PGDP into action. The main objectives of the plan are as follows:-

- To establish and outline a long term vision and direction for the development in the district (vision 2030);
- To provide an overaching and coordinated framework for planning and development initiatives within each of the local municipalities and across municipal boundaries;
- To provide a spatial context and justification for priority interventions;
- To guide resource allocations of various spheres of government, service delivery agencies and private sector working within the district;
- To develop the institutional arrangement for an effective implementation of the Amajuba DGDP and the KZN PGDS;

- To align and integrate departmental strategic plans at a district level;
- To facilitate commitment of resources (human, financial, etc.) towards the implementation of strategic objectives, catalytic initiatives and other district priorities.

The Amajuba DGDP will achieve its objectives through 7 Strategic Goals directly aligned to the KZN PGDP. The ADM 7 Strategic Goals are as follows:-

	GOALS	INTERVENTION
1.	Job Creation	Expanded provincial economic output and employment.
2.	Human Resource Development	The human resource capacity of the province is adequate, relevant and responsive to growth and development needs.
3.	Human and Community Development	Poverty and inequality in Amajuba is reduced.
4.	Strategic Infrastructure	Strategic infrastructure provides for the social and economic growth and development needs in Amajuba District.
5.	Environmental Sustainability	Reduced global greenhouse gas emissions and create social ecological capacity to climate change.
6.	Governance and Policy	The population of Amajuba is satisfied with the levels of government service delivery.
7.	Spatial Equity	Increased spatial access to goods and services in Amajuba

As per the KZN PDGP, the Amajuba DGDP's Strategic Goals and the 24 Strategic Objectives are aimed towards the attainment of the 2030 development vision. The goals and objectives of the Amajuba DGDP are relevant and applicable to the Newcastle Local Municipality. However, some do not fall within the ambit and functions of NLM. Nonetheless NLM fully commits itself to the execution and coordination of the Amajuba DGDP Strategic Goals and Objectives thereof, particularly those falling within its functions.

2.2.4.State of the Town Address (SOTA) 2018.

On his second concept budget as the Mayor of Newcastle Local Municipality, His Worship, the Mayor Cllr E.M. Nkosi raised his concerns about the trend of shrinking government finances against a fast growing unemployment. He further elaborated that fact that national government is continually reducing its grant allocation to municipalities, while poverty escalates is a setback. In Newcastle this has further been made worse by shrinking the municipality's revenue, as a result, inter alia, the down scaling and financial challenges faced by key industries in Newcastle, the culture of non-payment of services, to those who can afford to pay, continues to cripple the financial health of the municipality, and it remains a big challenge. He indicated that South Africa as a country is currently experiencing economic challenges which increasingly compels the Municipalities to depend on our financial resources. Only

those municipalities who endeavour to strategically and proactively manage their sustainability will survive.

His Worship, the Mayor of Newcastle Municipality elaborated on programmes to strategically address the financial viability and sustainability of the municipality mainly focused on curtailment and containment of expenditure. He indicated that the municipality is working hard on improving revenue collection with a view to run financially sustainable municipality. This process is being done in consultation with ward councillors and affected consumers. The Mayor acknowledged that the compilation of the 2018/19 budget was a complex assignment, but its final outcome will continue to inspire hope to the people of Newcastle. The budget is aligned with the first revised fourth generation IDP. It seeks to address the needs of our communities as far as possible, despite limited financial resources.

The Mayor further made commitment to ensure good governance in the municipality by improving and updating policies and bylaws that will enables the municipality to achieve its objectives. He indicated on that Council has approved a new organisational structure that will be gradually phased in and necessary alignment be done, where necessary. In line with our austerity measures, he further pointed out that as part of the budget the reduction of the overtime budget allocation. He emphasized that with proper supervision of municipal staff more can be done during ordinary working hours and this will ensure reduction of overtime. He further made commitment to fight fraud and corruption.

He referred to the words of the Premier Honorable T.W. Mchunu on his views on the local government matters, mentioning that the municipality needs to work hard on the following matters:

- Managing relations between the Municipality and Traditional Leadership.
- Improving the level of functionality of public participation structures.
- Improving revenue collection and debt management.
- Improving financial provision for operations and maintenance of critical infrastructure.
- Preventing water losses.
- Improving technical capacity to manage growth and development.
- To avoid incurring debt with Eskom.

The Mayor went on to provide outline of the draft budget for 2018/19 financial year, inclusive of the projected income and expenditure of the municipality on both capital and operational budget. The municipal total budgeted expenditure of R2.494 billion, comprising of R2.274 billion for operational and R220.5 million for capital projects. The operational budget of R2.274 billion is made-up of cash component of R1,499 billion cash expenditure and R0,775 million non-cash expenditure. He further mentioned that the total capital expenditure amounting to R220.5 million will be funded from

Government grants to a total amount of R177.4 million and municipal own revenue of R43.1 million.

The Mayor further elaborated that one of the municipal critical priorities in their current term is to stimulate the economy of Newcastle by having vigorous programmes to attract investment to the town, this is to ensure that the municipality achieves its vision to be a City by 2035. He indicated that the municipality is also in a process of finalizing the SMME Procurement Policy which will allow that 40% of the municipal annual budget to benefit the local SMME's and Contractors of Newcastle.
With regards to the Human Settlements Delivery as the municipality is the L2 Accredited Municipality, the Mayor indicated various housing projects under implementation and highlighted that moving forward, the municipality will be prioritizing the affordable housing opportunities for GAP/FLISP market.

On infrastructure development, the Mayor stated the continued municipalities' commitment in rolling out the infrastructure development programme especially in the underdeveloped areas of Newcastle. He highlighting that on electrification 15 High Mast lights have been installed and electrified in ward 1, 17, 18, 15, 33 and 33 as per old demarcation. 180 householders have been electrified in Charles town. On the maintenance side, the municipality has been able to maintain 127 mini sub-substations, 4 mini sub-stations replaced, carry out maintenance on 322 kiosks and to replace fire extinguisher in all substations. 750 LED streetlights have been installed and acknowledged the persistent challenge of streetlight in the town. Cable theft have been the major course of this problem. He further indicated that the key focus areas for electrification programme in the 2018/2019 will also include the electrification of 1250 households in ward 25 Siyahlala Housing Project. The project is underway Electrification of 220 households Kwa Mlimi, and electrification of 100 households in ward 33 Emanzana.

On roads development, the Mayor indicated that most of the roads in Newcastle has been affected by the recent heavy rains which has left the most the municipal roads in the bad condition, he indicated that the municipality is a process of getting COGTA provincially to declare our road infrastructure damage a disaster. The municipality has allocated a budget for road resealing and re-graveling.

In closure the His Worship, the Mayor of Newcastle Municipality quoted the words of our Minister of Cogta Dr. Zweli Mkhize in the KZN Local Government Indaba recently held in Durban "Public representatives and Government officials must make an impact in the improvement of the lives of our people. As Public representatives and officials we must always put our people first – Batho Pele. Our people must feel that their elected representatives are here to serve them, that they care and are prepared to listen and respond. They must feel that their representatives in particular have no other interest than to work for the improvement of their lives". The Mayor gave commitment that the municipality will work hard to promote those ethos.

2.2.5.17 Sustainable Development Goals.

During the year 2000, 189 leaders of different nations committed themselves to rid the world from famine, drought, wars, plagues, poverty and many forms of deprivations that have been haunting the global society for years. The United Nations Development Programme (UNDP) has been one of the leading working towards achieving the 8 MDGs through the funding of projects within more than 170 countries and territories. Tremendous progress has been made since the offsetting of the goals in the year 2000, hunger has been cut in half, extreme poverty went down almost by half, more children are going to school, and there are less child fatalities, in just naming a few. South Africa, on the other hand, has been a willing signatory of the 8 Millennium Development Goals even before they were introduced globally, and this has been through the alignment of a vision that was expressed and supported by millions of South Africans in the form of the 1955 Freedom Charter. Though not articulated in the same manner, the achievement of the 8 Millenium Development Goals has always been an integral part of the Freedom Charter, and a building block towards addressing the challenges that are mainly due to the poor planning mechanisms of the Apartheid government. 15 years later the signatory countries want to improve on the successes of the over the years, hence going further in addressing perennial issues.

The new set of goals, the Sustainable Development Gaols (SDGs), aim to end poverty and hunger by 2030. World leaders, taking into cognisance the relationship between people and the planet, have set goals for the land, the oceans and the waterways. The 17 SDGs are based on common consensus, and an aspiration towards a future where everybody has enough food, and can work, and can sustain their livelihoods living at more than $1.25 a day. The new 17 Sustainable Development Goals are as follows:-

	SDG	OBJECTIVE
1.	No poverty	To end poverty in all its forms everywhere
2.	Zero hunger	To end hunger, achieve food security and improve nutrition and promote sustainable agriculture
3.	Good health and well-being	Ensure healthy lives and promote well-being for all at all ages
4.	Quality education	Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
5.	Gender equality	Achieve gender equality and empower all women and girls
6.	Clean water and sanitation	Ensure availability and sustainable management if water and sanitation for all
7.	Affordable and clean energy	Ensure access to affordable, reliable sustainable and modern energy for all
8.	Decent work and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

9.	Industry, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
10.	Reduced inequalities	Reduce inequality within and among countries
11.	Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient and sustainable
12.	Responsible consumption and production	Ensure sustainable consumption and production patterns
13.	Climate action	Take urgent action to combat climate change and its impacts
14.	Life below water	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
15.	Life on land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degredation and halt biodiversity loss
16.	Peace, justice and strong institutions	Promote peaceful and incusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17.	Partnerships for the goals	Strenghthening the means of implementation and revitalise the global partnership for sustainable development

In South Africa there still exists enormous pressures for the achievement of the 17SDGs. Though efforts have been made towards halving extreme poverty, there is still persistance of high inequalities. Efforts have also been made towards improving the levels of education within the country through the provision of access to an efficient and high quality education system that is results-driven. And thus South Africa managed to achieve the goal of universal primary education before the targeted date of 2015.

Since 1994, South Africa has been recognised internationally for its relatively good performance in terms of common measures on gender equality. However, gender based violence still remains of particular concern which means decisively dealing with this issues is of particular importance in order to achieve the goal pertaining to the equality and the empowerment of women. According to the Millennium Development Goals Country Report 2013, the target regarding the ratio of literate females to literate males was achieved at 1:1. Therefore the processes already in motion should be maintained as there is still a long way to go in order to achieve gender equality. Significant efforts have also been made to improve the health system in order to reduce child mortality and improve maternal health including the fight against HIV/AIDS. The level of childhood mortality is reflective of a country's health status in general and the health status of the children in the country. There has been improved immunisation for children under the age of 1 hence contributing to the decrease in the child mortality rate.

The creation of awareness campaigns towards the fight against the HIV/AIDS pandemic has also given some positive results. In 2012 South African had the largest population of people living with HIV/AIDS which was estimated at 5.6 million. However, the percentage of HIV prevalence among the population aged between 15 – 24 years has declining significantly over the years, from 10.3% in 2005 to 7.3% in 2012. This is a positive sign towards reaching the goal of combating HIV/AIDS despite the prevalence of some challenges. Fundamental to the nature of NLM is the development of sustainable human settlements and the conservation of the environment thereof. Through strict land use measures and the mainstreaming of development, the significance natural habitats is realised. South Africa accounts for 65% of the carbon emissions in Africa and thus the sustainability of the natural forests is of concern. Like most other countries, South Africa is also vulnerable and exposed to the impacts of climate change and variability due to the socio-economic and environmental context. Therefore, key mitigation programmes have been identified including the promotion of the use of clean energy resources. Such measures will also aid thus to decrease the rate of Ozone depletion. Within NLM there has been improvement regarding the provision of access to water and also the provision of improved access to sanitation.

2.2.6.Operation Sukuma Sakhe.

The Special Programmes (SP) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

NOTE: The Unit: Special Programmes goes deeper than any other project/programme in that through behavioral change, and this change calls for the transformation in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc., but also about the psychological well-being of the community. Children, youth, senior citizen, and people living with disabilities, men and women must have a voice in governance.

The municipality is at the stage whereby it acknowledges that people are different yet the same. In no way can the municipality implement service delivery in isolation of the local democracy. Newcastle Municipality has launched the Provincial Sukuma Sakhe program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Newcastle. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province. The formulation of this 3rd

Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms.

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government, therefore delivery of services is required through partnership with community, stakeholders and government. Newcastle Municipality has ensured that all 310 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 14 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people they are serving. This is at ward level, translating to all 31 wards and all households within the Newcastle area of jurisdiction. The KwaZulu Natal provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in Newcastle Municipality. These include:-

- Department of Health;
- Department of Education;
- Department of Sports and Recreation;
- Department of Social Development;
- Office of Premier; and
- Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

FORUM	PROGRAMME	HIGHLIGHT
Disability Forum	Education and Skills Development	• **Training and handover of reading aides for visually impaired people.** • Computer and Administration Skills programme for disabled people. • The placement of disabled people in various institutions for experiential learning.
	Sports and Recreation	• **Disability Sports Day.** • The high participation of disabled people in sports**.** • The inclusion on mental health in disability programmes.
	Health and Social Wellbeing	• **Door to Door Campaign at KwaMathukuza.** • Assistance rendered to the community in educating about rights of disabled people.

FORUM	PROGRAMME	HIGHLIGHT
	Economic Participation	• The construction and handover of a Centre for disabled people in Osizweni.
PLWHIV Forum	Health and Social Wellbeing	• Participation on Newcastle Forum at the Provincial Candle light Ceremony. • High turnout of people during HCT campaigns, especially amongst populations at risk.
	Education and Skills Development	• **Ward Aid Committee and PLWHIV training programme.** • The workshop attempted to up skill community agents in attending to community issues and escalating them to relevant sector departments. • The workshop also played an important role helping the different community stakeholders to consolidate their efforts in terms of sharing programmes and information.
Children's Forum	Safety and Security	• School violence became a huge area on concern last year. • This violence resulted in not only deaths but, the displacement of perpetrators and psychological scarring of fellow learners and the community at large. • The cause can be attributed to various factors such as bullying, substance abuse, negligence and lack of parental control. • Community Awareness Programmes in War-rooms, community meetings, schools, churches and the media helped in shifting the focus back to the psychosocial needs of children.
OSS		• The top war room at KZN, ward 24, came from Amajuba District in our Local Municipality.
		• Amajuba District is one of the leaders in the monthly submissions to the Office of the Premier.
		• Amajuba District is also leading in the launching of the Fora.
		• Mpumalanga benchmarked in our District in seeing how the War room works by visiting ward 1 at Charlestown.
Gender: Men		• Men's month celebration at Madadeni Community Hall where the hall was full to its capacity and also attended by the District Mayor.
		• EPWP Programme that is employing the widows.
		• Gender Based Violence march at Newcastle CBD that took the attention of many people.
		• Poverty alleviation Programmes for the Fora members organized by Special Programmes together with LED.
Gender: Women		• Women's Day Celebration that is including women from other departments. • Poverty alleviation Programmes for the Fora members organized by Special Programmes together with LED. • Honouring of women working in Dangerous zones.
SENIOR CITIZENS	Golden games.	• Promotion of healthy living. • Commemorating heritage day as senior citizens. • Tackling issues that senior citizens are faced with and also the promotion of healthy living. • Showing appreciating of working well together throughout the year and promoting healthy living.
	Senior citizens heritage day.	
	Meeting with the senior living in Madadeni hosted by Asisinde isizwe.	

FORUM	PROGRAMME	HIGHLIGHT
	Year-end function	

2.2.7.Youth Development Strategy.

Since the advent of democracy in 1994, many efforts have been steered towards the promotion of sustainable youth development over the years. However, inspite of all that has been done to counteract and redress the wrongs of the past and current trials confronting the youth, it is evident that youth development is still not a priority in the South African development endeavors. A review on youth development particularly from Stats SA indicates that a vast majority of unemployment in Newcastle is amongst young people between the ages of 18 and 35 years. There are many frustrations confronting young people today besides adequate access to quality employment, and these range from for free tertiary education, successful entrepreneurial growth and development and the scourge of HIV/AIDS, alcohol and drug abuse. These issues spiral down further execerbating social ills such as violence, abuse, prostitution and crime, all of which are escalating at an alarming rate.

Through engagements with citizens and stakeholders, the Newcastle Local Municipality was able to determine such challenges during the Community Based Planning activity. Such were also raised during the Mayoral Budget Roadshows for 2017/18. The issues raised have implications on the importance of investing in young people in terms of equipping them with the necessary skills to increase their creative and productive capacity, and also to assist them to lead a meaningful life. The battle towards sustainable youth development necessitates the development of strategies and operations with the following policy framework:-

❖ National Youth Policy 2020.

The policy outlines interventions to enable optimal development of young p/eople, both as individuals and as members of South African society towards the enhancment of their capabilities hence a transformation of the economy and the country. The objectives of the aforementioned policy towards 2020 are as follows:-

1. Consolidate and integrate youth development into the mainstream of government policies, programmes and the national budget.
2. Strengthen the capacity of key youth development institutions and ensure integration and coordination in the delivery of youth services.
3. Build the capacity of young people to enable them to take charge of their own well-being by building their assets and realizing their potential.
4. Strengthen a culture of patriotic citizenship among young people and to help them become responsible adults who care for their families and communities.
5. Foster a sense of national cohesion, while acknowledging the country's diversity, and teach a spirit of patriotism by encouraging visible and active participation in different youth initiatives, projects and nation-building activities.

Furthermore the National Youth Policy outlines the following proposals towards youth development and empowerment:-

1. Economic participation and transformation.
2. Education, Skills and Second Chances.
3. Healthcare and combating substance abuse.
4. Nation-Building and Social Cohesion.
5. Effective and responsive youth development institutions.

❖ Youth Enterprise development strategy 2013- 2023.

The YEDS intends to provide support for young entrepreneurs with an objective of creating and managing sustainable and efficient businesses capable of providing decent permanent jobs and employment growth. These interventions include mentorship and coaching, youth business incubation, business infrastructure support, linkages to procurement opportunities, youth entrepreneurship awards, youth entrepreneurship promotion and awareness, youth special projects and sector-specific enterprise creation, national youth service programme, and the youth entrepreneurship collateral fund. In pursuit for sustainable youth enterprise development, the YEDS is underpinned by these principles:-

- **Principle 1:** Youth Enterprise Development and Entrepreneurship is a Shared Responsibility.
- **Principle 2:** Participatory and Collaborative Approach.
- **Principle 3:** Human Rights and Diversity.
- **Principle 4:** Responsiveness and Relevance.
- **Principle 5:** Accountability.
- **Principle 6:** Youth as a Target Group.
- **Principle 7:** Transparency.

❖ Integrated Youth Development Strategy.

The IYDS was developed to be a holistic and integrated strategy which should respond to all socio-economic needs of young people in South Africa. The strategy seeks to facilitate and coordinate the implementation of youth development programmes and policy comprising the National Youth Policy, National Youth Development Agency Act (No. 54 of 2008), as well as the National Youth Development Policy Framework amongst others. The IYDS pursues the following objectives:-

- To promote a uniform approach by all organs of state, the private sector and civil society organizations;
- To facilitate endeavors aimed at job creation and economic freedom for the youth;
- To outline parameters within which youth development programmes can be implemented;

- To initiate strategic anchor projects to benefit youth from disadvantaged backgrounds (rural, disabled, and young women) and guide programming for other stakeholders including private and civic society sectors;
- To provide a monitoring and evaluation framework and system which will enable coordinated nationwide reporting of youth development programmes implementation in all sectors.

2.2.8.Batho Pele Principles.

The White Paper on Local Government advocates for a developmental Local Government, which is Local Government that is committed to working together with its citizens and groups within its communities to find sustainable solutions to meet their social, economic and material needs with the purpose of improving their general welfare as well as their standard of living. The constitution sets out the objectives of local government which are as follows:-

- Provision of a democratic and accountable government;
- Provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and a healthy environment; and
- Encourage the involvement of communities and community organisation in the matters of the municipality.

The Newcastle Local Municipality is not exempted from the common challenges of local government and is characterized, in some areas, by services backlogs, high unemployment, and poverty stricken households. Sincere commitment towards radical transformation and unbiased delivery of services is required in order to counteract the anomalies inherited from apartheid planning, and also to bridge the existing gap between the rich and the poor which is represented through inefficient spatial integration in Newcastle. NLM is devoted to working together with its citizens and to be customer-oriented which is an endeavor to fast track development taking into cognisance the need for social cohesion, economic development, environmental sustainability and institutional development. The municipality's commitment to raising the standard of service delivery and transformation into an organisation that is development orientated, efficient, effective and professionally ethical emerges from Batho Pele. The municipality aspires to always uphold and implement the principles of Batho Pele and ensure the following:-

a) Service Standards: To inform the communities within Newcastle about the level and quality of service they will receive hence creating awareness of what to except.
b) Access: to ensure all Newcastle citizens have equal access to services which they are entitled to.
c) Courtesy: To treat residents as customers.
d) Information: To always publicise relevant information about our programmes and services.

e) Openness: To inform the people of Newcastle about the operations of the municipality.
f) Transparency: To be transparent and honest about what we will be able to deliver.
g) Redress: To offer our people an apology and give them a sympathetic and positive response if they are unhappy with the manner in which services are being rendered.
h) Value for money: To always provide services in an economical and efficient manner.

2.2.9.Back to Basics.

Local government is the sphere of government which is closest to the people. It is also the gateway to service delivery and the platform where most citizens get to interface and interact with government. The vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built. It was also a place in which the citizens of South Africa could engage in a meaningful and direct way with the institutions of the state. A number of issues related to governance within the local sphere have emanated over the years hence necessitating efforts that support, educate and where needed, enforce implementation. In light of the issues related to the local sphere of government, the transformation of the government sectors thereof remains a priority.

According to the National Development Plan, achieving South Africa's transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy economically-sustainable areas where citizens and people can work, live and socialize. Therefore, it is vital to understand where South Africa is, where the country could be and what needs to be done in order to achieve the developmental vision of the country. The goal of Government is to improve the functioning of municipalities in order to effectively render meaningful basic services to communities by getting the basics right. Since the decentralized system of local government was put in place in 1995, as enshrined in the country's Constitution (i.e. as a 'distinctive, interdependent and interrelated' sphere of government), much has been achieved towards building local government.National Government has provided support to the system of local government through the development of world-class local government legislation and policy, supported by a transparent system of intergovernmental grants that enable municipalities to perform their roles. Furthermore, a wall to wall system of municipalities has been developed for the sole purpose of integrating communities that were previously divided by the apartheid regime. The Local Government White Paper put forward a vision of local government as a key component of the developmental state, and in pursuit of that vision, services have been progressively extended to more citizens than ever before.

His Excellency, President Jacob Zuma, in his State of the Nation Address delivered on the 17th of June 2014, articulated Government's concerns regarding improvements

needed at local government level. As part of Government's plan of action to revitalize local government, President Jacob Zuma stated that "South African municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service delivery protests. There have been many successes in many municipalities. However, we face a number of challenges."

Therefore, against the backdrop of the statement by His Excellency - President Jacob Zuma, the Ministry of Cooperative Governance and Traditional Affairs is pursuing the Back to Basics Approach in order to address the challenges that are faced by local government, and also to strengthen municipalities and instill a sense of urgency towards improving the lives of citizens. The Back to Basics Approach is premised on the recent review of all the 278 municipalities within South Africa, which established three groups of municipalities namely the Top Group, the Middle Group, and the Lower Group. In terms of the Back to Basics Approach, clear benchmarks are set and these are directed towards increasing performance in Government's efforts to ensure that all municipalities perform these basic functions without compromise.

Furthermore, the Back to Basics Approach is of significance because it also supports a transformation agenda which is premised on the need to ensure functional municipalities as outlined by the Minister of Cooperative Governance and Traditional Affairs in his 2014 Budget Vote. The approach is informed by the Constitution, legislation and programmes that are intended at streamlining a new agenda aimed at changing Government's approach and strategic orientation especially at a local level towards serving the people whilst ensuring service delivery.

As part of Government's efforts to recognize and adequately reward good performance and ensure sufficient consequences for under-performance, the Department of Cooperative Governance (DCoG) has developed a set of indicators to be reported on a monthly basis as per the pillars of the Back to Basics Approach. These indicators will functions thus to measure whether Newcastle Municipality is performing in terms of the basics and these are as follows:-

- Putting people first;
- Delivering basic services;
- Good governance;
- Sound financial management; and
- Building capable local government institutions.

According to circular No. 47 of 2014 from the Department of Cooperative Givernance and Traditional Affairs (COGTA), Newcastle Municipality is obliged to furnish the Minister of COGTA with information on a monthly basis in order to assist in the analysis

of the state of local governance within South Africa, and also to afford COGTA the opportunity to make an informed assessment in order to be able to support and intervene where needed.

Table 1: Newcastle Local Municipality's Strategic Alignment with the Back to Basics Key Focus Areas.

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
Service Delivery and Infrastructure	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's Jurisdictional Area.	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	Number of households with access to drinkable water.	SED: Technical Services
			Number of households with access to sanitation.	
		To promote water conversation and environmental awareness.	Annual review of the WSDP.	
			Number of awareness campaigns to promote water conversation and environmental awareness.	
			Reduction of losses by 2% per annum for NRW.	
			Approved business plans for rural and urban areas.	
	To ensure provision and maintenance of safe roads and effective storm-water infrastructure.	To develop and implement the Roads and Storm-Water Infrastructure Plan	Square meters of sidewalks paved.	
			Kilometres of roads released.	
	To ensure access to electricity and other forms of energy where applicable.	To provide electricity within the Newcastle Municipality Licensed Areas.	Number of solar geysers installed.	
			Number of households with access to electricity.	

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
		To improve the electricity network in the Newcastle Licensed Areas.	Implementation of Maintenance Plan.	
	To provide and ensure a safe and healthy environment.	To keep Newcastle Municipality Area clean.	Implementation of Communication Plan.	
		Implementation of the Waste Management Strategy in line with relevant legislation.	% of backlogs addressed.	
			Number of registered landfill/ waste disposal sites.	
			% of complains addressed within 24 hours.	
Good Governance and Public Participation.	To ensure good governance through openness and, transparency and accountability in the organisation.	To strengthen executive support services.	Reviewed and adopted IDP	Office of the MM
			Compliance with record keeping checklist.	
			Number of MANCO meetings convened.	
		To develop and implement an effective Performance Management System.	Annual review of PMS Policy.	
			Annual Performance Report submitted to the Auditor General.	
			Quarterly performance reports submitted to Internal Audit within 25 days of end of quarter.	
		To maintain and implement an effective Risk	Quarterly reports on implementation of management action plan.	

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
		Management System.	Number of anti-fraud and corruption facilitated.	
			Quarterly reports on implementation of AG Action Plan to Audit Committee.	
		To provide an effective legal support system.	Develop and maintain applicable legislation database.	
	To keep communities and stakeholders informed and involved in the affairs of the Municipality.	To improve both internal and external communication .	Annual review of Public Participation Policy.	
			Number of training interventions of Ward Committees.	
			Annual Mayoral IDP/Budget/PMS Roadshows.	
Financial Viability and Management.	To ensure sound financial and fiscal management and good governance.	To ensure compliance with financial reporting in terms of relevant legislation.	Compliance with MFMA reporting obligations as per MFMA calendar.	SED: Budget and Treasury Office
		To ensure compliance with budget planning and implementation	Approved adjustment budget and approved final budget.	
Institutional Development/ Capacity.	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.	To provide efficient and effective general administrative support services.	Average turnaround time for filling of vacancies.	SED: Cooperate Services
		Implementation and review of	% of critical posts filled as	

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
		the organogram with adequate capacity.	identified and approved by Municipal Manager (as budgeted).	
			Compliance with submission of employment equity Report.	
			Number of people from employment equity target groups.	
	To ensure productive and competent human capital.	To facilitate human resource development.	Successful submission of the WSP to LGSETA.	
			Number of policies developed and reviewed.	

2.2.10.Hierarchy of Plans.

Table 2: Newcastle Local Municipality's IDP and the alignment with the hierarchy of plans.

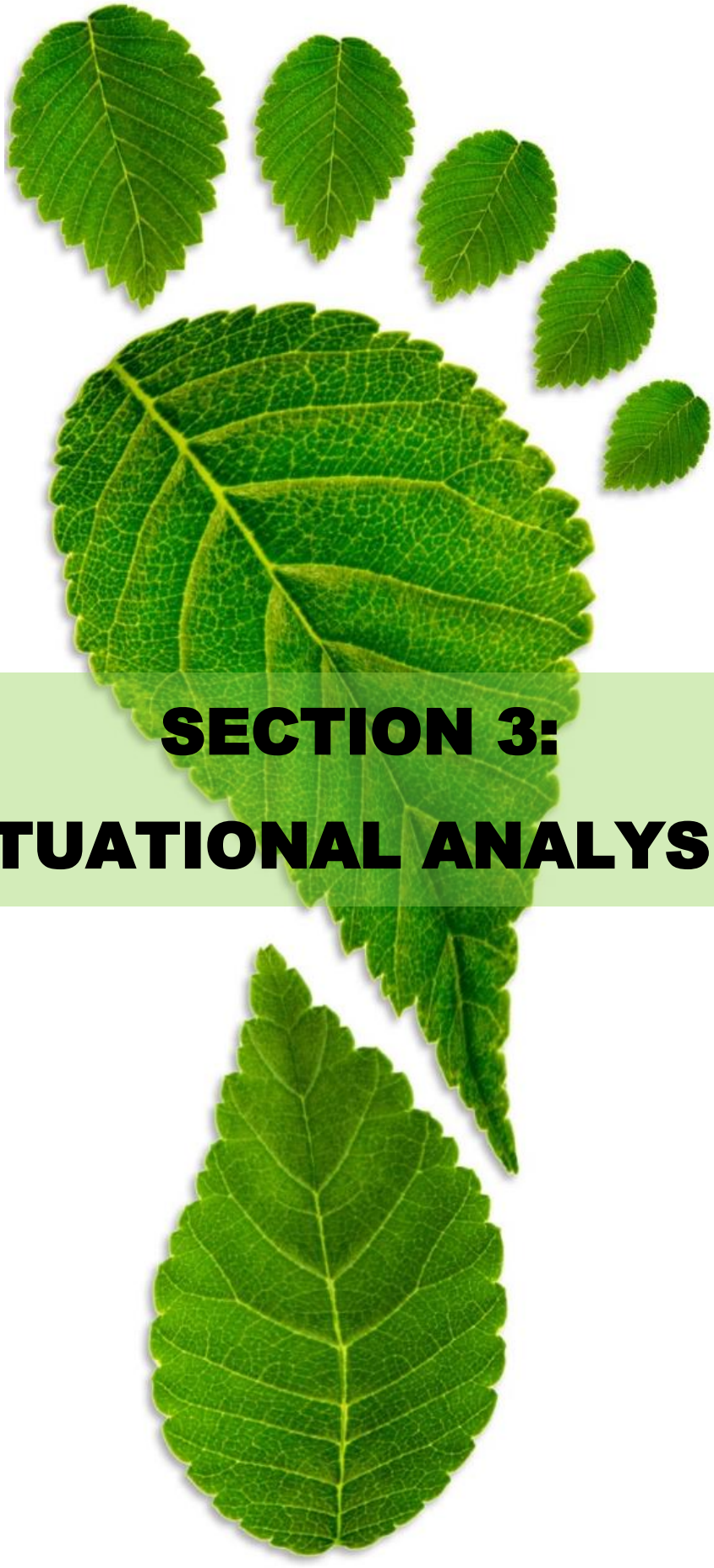
5 KEY NATIONAL PRIORITIES	NATIONAL OUTCOME 9 & OUTPUTS	KZN PGDP 7 STRATEGIC GOALS	ADM DGDP 7 STRATEGIC GOALS	NLM IDP STRATEGIC OBJECTIVES
Creation of decent work and sustainable livelihoods for inclusive growth	**Output 3:** Implementation of the Community Work Programme	**Goal 1:** Inclusive Economic Growth	**Goal 1:** Expanded Provincial economic output	To facilitate economic development that will result in sustainable job creation.
		Goal 2: Human Resource Development	**Goal 2:** The human resource capacity of the province is adequate, relevant	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.
				To ensure productive and competent human capital.
				To ensure efficient administrative support services.
	Output 4: Actions supportive of the human settlement outcome	**Goal 4:** Strategic Infrastructure	**Goal 4:** Strategic infrastructure that provides for the social and economic growth and development needs of Amajuba District.	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle.
				To ensure the provision and maintenance of safe roads and effective storm-water infrastructure.
				To ensure access to electricity and other

5 KEY NATIONAL PRIORITIES	NATIONAL OUTCOME 9 & OUTPUTS	KZN PGDP 7 STRATEGIC GOALS	ADM DGDP 7 STRATEGIC GOALS	NLM IDP STRATEGIC OBJECTIVES
				forms of energy where possible.
				To provide and ensure a healthy and safe environment.
Rural development, land reform and food security for inclusive growth	**Output 2:** Improving access to basic services	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Amajuba is reduced	To respond to the needs of vulnerable groups.
				Youth Development and Women Empowerment.
				To facilitate the provision of houses in line with the national and provincial norms and standards.
				To improve access to basic services.
				to create Human Settlements that are economically viable, aesthetically pleasant, habitable and vibrant.
				To ensure efficient management of community facilities.
		Goal 5: Environmental Sustainability	**Goal 5:** Reduced global greenhouse gas emissions and create social-ecological capacity to adapt to climate change	To promote sustainable development and environmental awareness.

5 KEY NATIONAL PRIORITIES	NATIONAL OUTCOME 9 & OUTPUTS	KZN PGDP 7 STRATEGIC GOALS	ADM DGDP 7 STRATEGIC GOALS	NLM IDP STRATEGIC OBJECTIVES
Education	**Output 5:** Deepen democracy through a refined Ward Committee model	**Goal 2:** Human Resource Development	**Goal 2:** The human resource capacity of the province is adequate, relevant	To ensure productive and competent human capital.
				To ensure efficient administrative support services.
Health	**Outcome 4:** Actions supportive of the human settlement outcome	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Amajuba is reduced	To respond to the needs of vulnerable groups.
				To manage the effect of HIV/AIDS within the jurisdiction of Newcastle Municipality.
Fighting crime and corruption	**Output 1:** Implement a differentiated approach to municipal financing, planning and support	**Goal 6:** Governance and Policy	**Goal 6:** The population of Amajuba is satisfied with the level of government service delivery	To ensure good governance through openness, transparency and accountability in the organization.
	Output 6: Administrative and financial capability	**Goal 6:** Governance and Policy	**Goal 6:** The population of Amajuba is satisfied with the level of government service delivery	To ensure good governance through openness, transparency and accountability in the organization.
				To keep the communities and stakeholders informed and involved in all municipal affairs.
	Output 7: Single window of coordination	**Goal 6:** Governance and Policy	**Goal 6:** The population of Amajuba is satisfied with the level of government service delivery	To ensure an effect internal audit function.

5 KEY NATIONAL PRIORITIES	NATIONAL OUTCOME 9 & OUTPUTS	KZN PGDP 7 STRATEGIC GOALS	ADM DGDP 7 STRATEGIC GOALS	NLM IDP STRATEGIC OBJECTIVES
		Goal 7: Spatial Equity	**Goal 7:** Increased spatial access to goods and services in Amajuba	To promote spatial restructuring and integration.





SECTION 3:

SITUATIONAL ANALYSIS.

3. STATUS QUO ANALYSIS.

Future development within Newcastle Local Municipality should respond directly to the development trends, patterns, needs and aspirations of those who live and/or work within the area. It must be relevant to the local context while also contributing to the attainment of the provincial and national development imperatives. This section of the IDP provides a detailed analysis of the current development situation within NLM. It is structured substantially in accordance with the Key Performance Areas (KPA), and also takes into consideration issues that are pertinent to Newcastle Local Municipality. The national KPA's are as follows:-

- Local Economic Development and Social Development;
- Basic Service Delivery;
- Financial Viability and Management;
- Municipal Transformation and Institutional Development;
- Good Governance and Public Participation; and
- Spatial Planning and Environment.

3.1. DEMOGRAPHIC PROFILE.

3.1.1. Population Size and Growth Patterns (Stats SA: 2011 Census Data overlaid onto the 2016 ward boundaries).

The official government figures reflected in the 2011 census data, overlaid onto the 2016 boundaries in order to align with the recent ward delimitation by the Demarcation Board, estimates the total population of the Newcastle Local Municipality to be 363 236 people. This marks a population increase of 0.87% per annum between 2001 and 2011. A further look into historical data shows that the growth rate has decreased slightly when compared to that of the period 1996 to 2001 whereby the population increased by 2.93% per annum. The decrease is highly attributed to the global recession experienced in the year 2008 which resulted in a decrease in direct foreign investments hence implications on job security.

Table 3: Population Growth and Density.

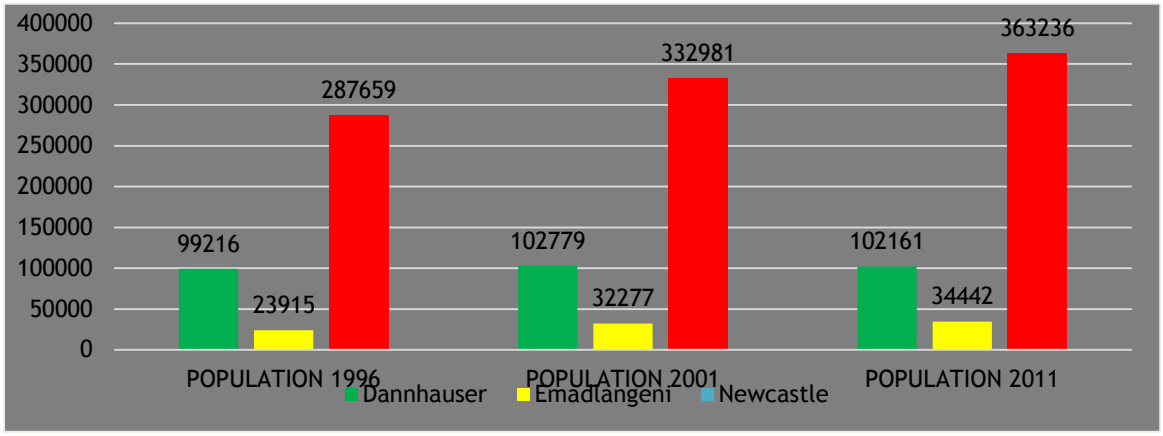
District	Population Size	% Share of KZN Population	% Share of Amajuba Population	Area in Square km	Population Density (ppl/km2)
KwaZulu-Natal	10 267 299			93 378	110.8

Amajuba	499 839	4.9		6 921	72.9
Newcastle	**363 236**	**3.5**	**72.7**	**1 689**	**215**
Emadlangeni	34 440	0.3	6.9	3 714	18.3
Dannhauser	102 162	1.0	20.4	1 518	67.5

Source: Stats SA, 2011 Census Data.

This trend is a characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate between 2001 and 2011. However, even though there was a decrease in the growth rate within the period 2001 to 2011, the population growth rate in Newcastle still remains higher than that of the district average which is 0.66%, hence making Newcastle the fastest growing municipality in the district in terms of population size. Newcastle accounts for 73% of the district population, 20% and 7% for Dannhauser and Emadlangeni Municipalities respectively.

Figure 5: Population Growth in Amajuba District.



Source: Stats SA, 2011 Census Data.

3.1.2.Household Size.

Similarly, Newcastle accounts for the majority of the households found within Amajuba District. This is consistent with the population distribution which suggests that the majority of the population within the district resides in the Newcastle Local Municipal area. The average household size is 4.3 people which suggest a slight decline in average household size from the one recorded in the year 2001.

Table 5: Number of households within Newcastle.

LOCAL MUNICIPALITIES	NUMBER OF HOUSEHOLDS		AVERAGE HOUSEHOLD SIZE		FEMALE HEADED HOUSEHOLDS %	
	2001	2011	2001	2011	2001	2011
Newcastle	**71 164**	**86 024**	**4.6**	**4.3**	**45.1**	**47.5**
Emadlangeni	6 187	6 252	4.8	5.5	32.2	38.8
Dannhauser	19 320	20 439	5.3	5.0	48.6	50.7
Amajuba	96 670	110 963	4.8	4.5	44.9	47.6

Source: Stats SA, 2011 Census Data.

The number of households headed by women has increased from 45.1% in 2001 to 47.5% in 2011, and this is in line with the district average of 47.6%. This read together with the relative decline in population growth rate suggests an increasing level of circular migration coupled with an increasing breakdown in extended and compounded households.

Table 6: Top 10 wards with the highest (red) and lowest (yellow) number of households.

TOP 10 WARDS WITH THE HIGHEST (RED) AND LOWEST (YELLOW) NUMBER OF HOUSEHOLDS		
Ward No.	**Grand Total**	**%**
Ward 1	2177	3%
Ward 2	3159	4%
Ward 3	2411	3%
Ward 4	2339	3%
Ward 5	3065	4%
Ward 6	2603	3%
Ward 7	2613	3%
Ward 8	1874	2%
Ward 9	2965	3%
Ward 10	1854	2%
Ward 11	2110	2%
Ward 12	1857	2%
Ward 13	1707	2%
Ward 14	4172	5%
Ward 15	2497	3%
Ward 16	2864	3%
Ward 17	2752	3%
Ward 18	1731	2%
Ward 19	2516	3%
Ward 20	2280	3%
Ward 21	2515	3%
Ward 22	1975	2%
Ward 23	2166	3%
Ward 24	2866	3%
Ward 25	2993	3%
Ward 26	3036	4%
Ward 27	2506	3%
Ward 28	1948	2%
Ward 29	2552	3%
Ward 30	2087	2%
Ward 31	2634	3%
Ward 32	2803	3%
Ward 33	2678	3%
Ward 34	3719	4%
Grand Total	**86024**	**100%**

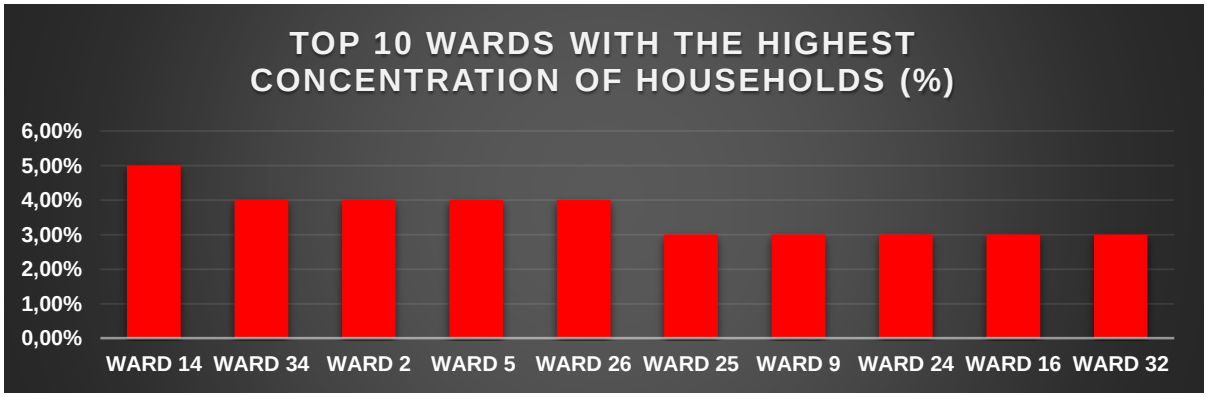
Source: Stats SA, 2011 Census Data.

At ward level, highlighted in red (above) are the wards with the highest number of households. The average number of households within all the wards in Newcastle is 2 503 households per ward. About 47% of the wards have a concentration of households that is above the average number of households, while the rest of the 57% is below the average. There is a direct correlation between the wards with the highest concentration of the population, and those with the highest concentration of the households. However this is with the exception of Ward 2, Ward 5, and Ward 25. The majority of such wards with the highest concentration of the households are found within the Newcastle East area, which has implications thereof on the density and the growth trajectory of Newcastle. Furthermore, such growth is taking place within the urban realm which thus means population growth, and the growth in the number of households is highly attributed to urbanisation which is characterised by the development of settlements (formal and informal) closer to places of economic opportunity.

Table 7: Geographical areas of the top 10 wards with the lowest number of people.

TOP 10 WARDS WITH THE HIGHEST CONCENTRATION OF HOUSEHOLDS		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 1	4 172	Madadeni Section 7 – M, N & P
WARD 34	3 719	Newcastle CBD, Arbor Park, Riverside Industrial Area, Newcastle Airport area & KwaMathukuza
WARD 2	3 159	Aviary Hill, Schuins Hoogte, Signla Hill, Sunnyridge
WARD 5	3 065	Amajuba Park, Berry Herzog Park, Ncandu Park
WARD 26	3 036	Madadeni Section 3 – C, K & Madadeni Section 4 – D
WARD 25	2 993	Fairleigh, Newcastle CBD, Paradise Park & Paradise
WARD 9	2 965	Osizweni – D, E & Inverness
WARD 24	2 866	Madadeni Section 2 – B, D, E, G
WARD 16	2 864	Blaauwbosch
WARD 32	2 803	Osizweni – A, E, F

Figure 4: Top 10 wards with the highest number of households.



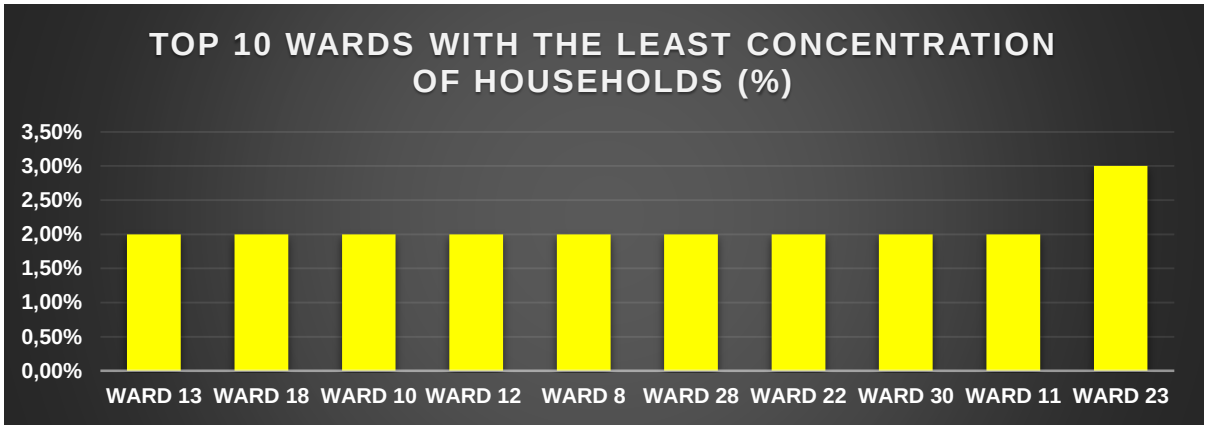
Source: Stats SA, 2011 Census Data.

Below are the wards with the lowest concentration of households amongst all the wards within the jurisdictional area of the Newcastle Local Municipality and they are marked in yellow above. Such wards are as follows:-

Table 8: Geographical areas of the top 10 wards with the highest number of households.

TOP 10 WARDS WITH THE LEAST CONCENTRATION OF HOUSEHOLDS (%)		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 13	1 707	Osizweni – B
WARD 18	1 731	Osizweni – B & Blaauwbosch
WARD 10	1 854	Osizweni – A, C & D
WARD 12	1 857	Johnstown
WARD 8	1 874	Osizweni A & C
WARD 28	1 948	Madadeni Section 5 – E
WARD 22	1 975	Madadeni Section 1 – A & B
WARD 30	2 084	Osizweni – A & Jakkalspan
WARD 11	2 110	Osizweni – A, B & F
WARD 23	2 166	Madadeni Section 3 – C & D

Figure 4: Top 10 wards with the highest number of households.



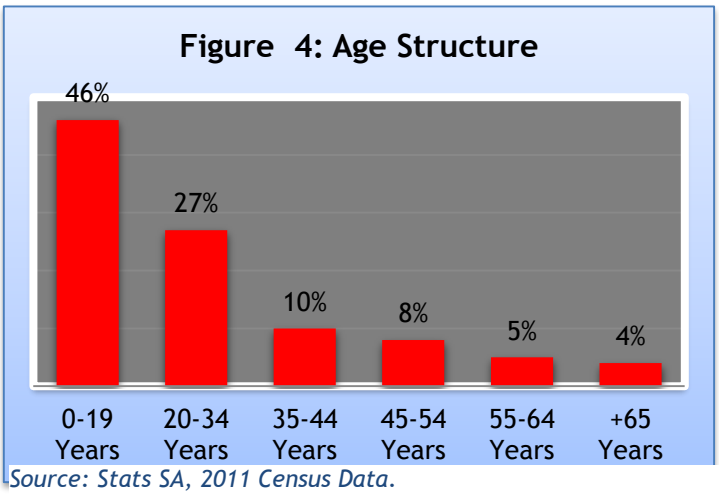
Source: Stats SA, 2011 Census Data.

The location of the wards listed as being amongst the top 10 wards with the lowest concentration of the households is mainly within the Newcastle East Area.

3.1.3.Age Structure.

Newcastle's population is relatively young with 46% of the total population being younger than 19 years of age, and the age group between 20 and 34 years accounting for 27% of the of the total population. Collectively the youth in Newcastle (0 – 34 years) makes up 71% of the total population, and this places immense pressure on the provision of educational facilities, social

Figure 6: Population Distribution by Age.



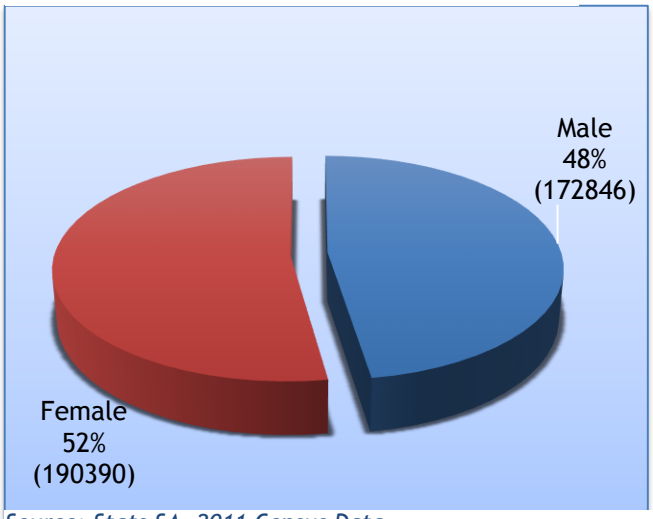
Source: Stats SA, 2011 Census Data.

welfare, health services and the stimulation of the economy to provide job opportunities and economic development. Also implied by the young population is that there is still a relatively high dependency ratio. The emigration of the youth and economically active population implies an increasing need for both recreational and educational facilities (i.e. shopping malls and institutes of higher learning) locally, and places more pressure on the need for employment opportunities.

3.1.4.Gender Distribution.

Regarding gender distribution within the Newcastle municipal area, 52% of the total population is female while males account for the remaining 48%. This observed trend in gender distribution conforms to the National norm. Due to such, there is a need for programmes specifically targeted towards gender equity. In response to this, Newcastle Municipality has prioritized gender issues as part of its Special Programmes. It is imperative that specific projects and programmes aligned to the National Program should be developed and rolled out in line with the municipal program of action.

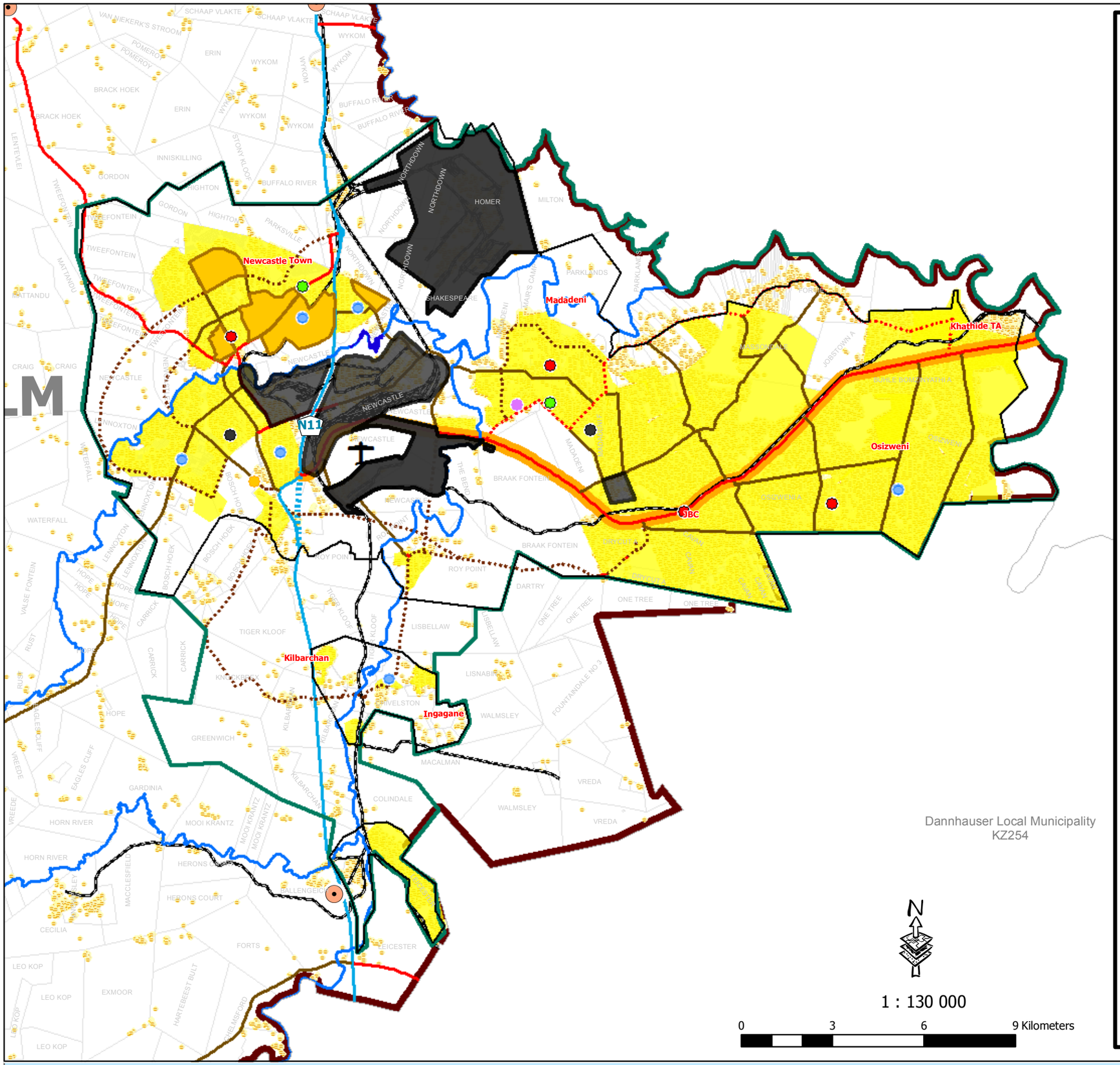
Figure 7: Population Distribution by Gender.



Source: Stats SA, 2011 Census Data.

3.1.5.HIV/Aids.

The HIV and AIDS pandemic has had a profound impact on both the quality of life of communities and families and on the economy. A number of initiatives have been implemented through the National Department of Health to combat the current epidemic, however major challenges still remain. Within Newcastle, the number of HIV positive persons has increased at an average annual growth rate of 2.9% during the period 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% during the period 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.



Dannhauser Local Municipality
KZ254

N

1 : 130 000

0 3 6 9 Kilometers

LEGEND

Major Nodes
- Rural Nodes
- Educational Nodes
- Medical Nodes
- Commercial Nodes
- Neighbourhood Node
- Regional Social Facility Nodes
- Mixed Use Nodes

Existing Roads
- Class 1
- Class 2
- Class 3
- Mixed Activity Corridor/ PSEDS Secondary Corridor (SC12)

Proposed Roads
- Class 1
- Class 2
- Class 3

Other
- Airport
- Railway Line

Households (2013 SBC)

Build Area
- Existing Built-up Areas
- Industrial
- Densification

Water
- Main Rivers
- Minor Dams

Other
- Airport
- Railway Line

Boundary
- Newcastle Urban Edge
- Development Boundary

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DENSIFICATION

MAY 2017

The above Growth Trajectory Map abo depicts the desired population movement trends within Newcastle. This also entails the desired spatial responses to urbanization which envisions population movement from the Newcastle West and Newcastle East areas towards the Southern boundary of Newcastle, just before Kilbarchan. This is based on the proximity of this area to economic opportunities in the form of the surrounding Industrial Area and the Newcastle CBD. This places pressure on Council to provide a variety of housing typologies such as social housing, CRUs, and rental housing stock around the Newcastle CBD. With the general population close to places of employment opportunity, it will decrease reliance on public transportation hence introducing new modes of mobility such as walking and cycling that will ultimately result in a decrease in the levels of greenhouse gas emissions.

3.2. EDUCATION PROFILE.

Since from the year 2001, significant progress has been made with regards to the improvement of the levels of literacy in Newcastle. In terms of the total number of people who did not have any formal education, there has been a significant decline from 11.33% (37 738) in 2001 to 4.75% (17 270) in 2011. In terms of gender, the situation remains unchanged. In 2001 the highest concentration of illiteracy within Newcastle was amongst the female population at 54.58% (20 598) as compared to the male population at 45.42% (17 140). In the year 2011 the highest concentration of illiteracy is amongst the female population at 59.21% (10 149) as compared to the male population at 40.49% (7 121). This implies that illiteracy levels are increasing amongst the female population whilst they decrease amongst the male population. The illiteracy gap in terms of gender remains at 3 028 females more than the males.

In terms of the number of people with access to primary education as the highest level of education (Grade 0 – Grade 9), there has been a decreased since 2001. In 2001 the number of people who had access to primary education as the highest level of education constituted 52.08% (173 404) of the total population. This decreased in the year 2011 to 40.11% (145 730). In terms of the people with secondary education (Grade 10 – Grade 12) as the highest level of education, Newcastle has shown some progress. In the year 2001 the number of people with secondary education as the highest level of education constituted 27.99% (93 229) of the total population. This increased in the year 2011 to 35.66% (129 522). The assumption made regarding the observed decrease in primary education and the increase in secondary education is that the majority of the population that was surveyed as having access to primary education in 2001 have progressed and went on to secondary school in 2011.

There has been a drastic increase in the number of people with access to tertiary education as the highest level of education from the period 2001 to 2011. In 2001 the number of people who had access to tertiary education as the highest level of education constituted 1.81% (6 040) of the total population whereas in 2011 they constitute 3.35% (12 177) of the total population. In basic terms, the amount has double from what it was in the year 2001. In terms of the number of people with access to higher post graduate

education as the highest level of education, we have also seen an increase. In 2001 the number of people with access to higher post graduate education as the highest level of education constituted 3.15% (10 497) of the total population whereas in 2011 this increased to 4.05% thus marking a 0.9% increase at a growth rate of 0.09% increase annually. However, it is envisaged that the figure pertaining to the number of people with access to higher education as the highest level of education could rise drastically if some tertiary institutions were to be introduced within the confines of the Newcastle Local Municipality. This would also aid in the provision of employment opportunities and help in retaining highly qualified labour within Newcastle.

Table 4: The rate of literacy within Newcastle.

	2001			2011		
	Male	**Female**	**Grand Total**	**Male**	**Female**	**Grand Total**
Grade 0	-	-	-	6 736	6 418	**13 154**
Grade 1 / Sub A	7 664	7 192	**14 856**	5 942	5 937	**11 878**
Grade 2 / Sub B	5 424	5 419	**10 843**	5 715	6 284	**11 999**
Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI	6 939	7 300	**14 239**	5 553	6 121	**11 674**
Grade 4 / Std 2	7 683	8 262	**15 945**	6 486	6 912	**13 397**
Grade 5 / Std 3/ABET 2	7 355	7 865	**15 221**	6 061	6 679	**12 740**
Grade 6 / Std 4	7 307	8 424	**15 731**	6 279	6 708	**12 987**
Grade 7 / Std 5/ ABET 3	9 387	11 009	**20 396**	7 606	8 577	**16 183**
Grade 8 / Std 6 / Form 1	10 829	12 345	**23 174**	10 597	11 851	**22 448**
Grade 9 / Std 7 / Form 2/ ABET 4	9 003	10 603	**19 603**	9 117	10 153	**19 270**
Grade 10 / Std 8 / Form 3	12 247	14 761	**27 009**	13 355	15 138	**28 493**
Grade 11 / Std 9 / Form 4	9 001	10 819	**19 820**	12 996	15 241	**28 237**
Grade 12 / Std 10 / Form 5	21 924	24 476	**46 400**	34 279	38 513	**72 792**
NTC I / N1/ NIC/ V Level 2	-	-	-	515	495	**1 011**
NTC II / N2/ NIC/ V Level 3	-	-	-	575	390	**965**
NTC III /N3/ NIC/ V Level 4	-	-	-	709	417	**1 126**
N4 / NTC 4	-	-	-	732	491	**1 223**
N5 /NTC 5	-	-	-	469	337	**806**
N6 / NTC 6	-	-	-	576	360	**936**
Certificate with less than Grade 12 / Std 10	500	482	**981**	237	262	**499**
Diploma with less than Grade 12 / Std 10	242	328	**570**	185	288	**473**
Certificate with Grade 12 / Std 10	2 298	2 191	**4 489**	2 312	2 826	**5 138**
Diploma with Grade 12 / Std 10	2 753	4 472	**7 225**	2 158	2 966	**5 124**
Higher Diploma	-	-	-	1 515	2 192	**3 707**

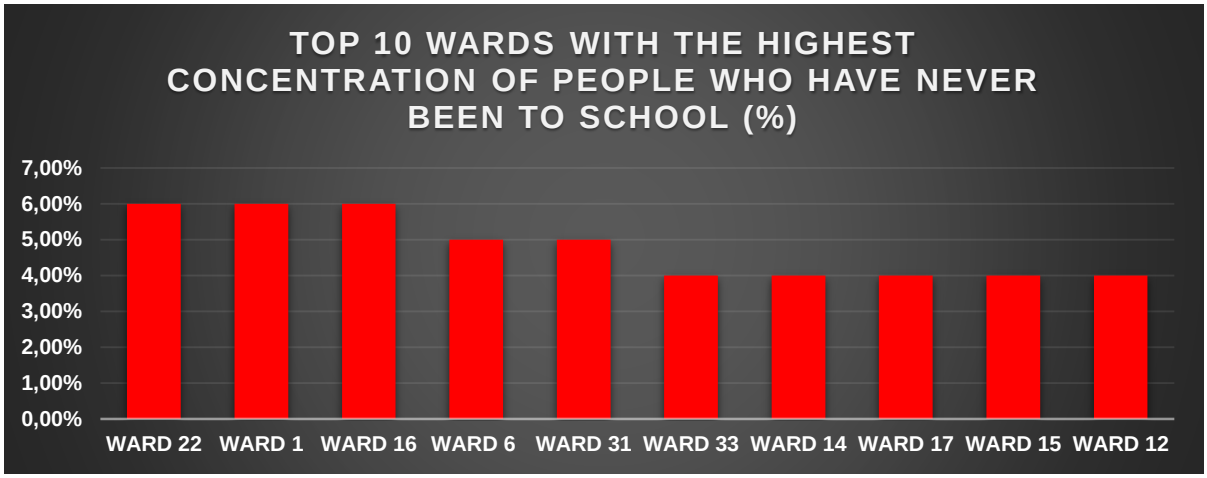
Post Higher Diploma Masters; Doctoral Diploma	-	-	-	301	329	**630**
Bachelors Degree	862	917	**1 779**	1 041	1 349	**2 390**
Bachelors Degree and Post graduate Diploma	398	408	**806**	397	424	**822**
Honours degree	204	200	**404**	421	601	**1 022**
Higher Degree Masters / PhD	187	96	**283**	298	209	**508**
Other	-	-	-	267	256	**523**
No schooling	17 140	20 598	**37 738**	7 121	10 149	**17 270**
Unspecified	-	-	-	-	-	**-**
Not applicable	17 786	17 681	**35 467**	22 298	21 514	**43 812**
Grand Total:	**157 134**	**175 847**	**332 982**	**172 846**	**190 390**	**363 236**

Source: Stats SA, 2011 Census Data

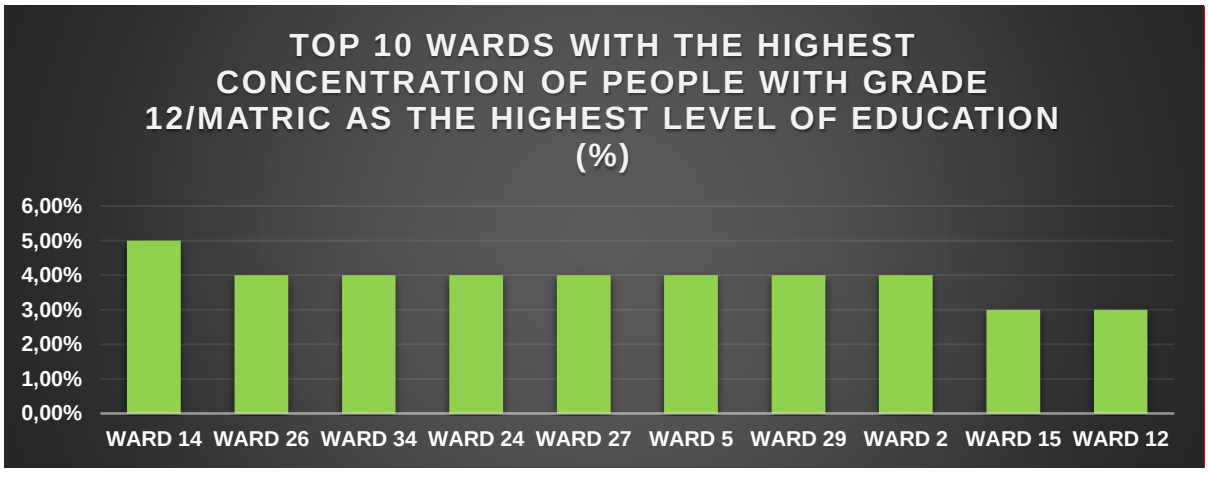
Below are the top 10 wards that have the highest concentration of people who have never been to school what-so-ever. The majority of the wards are found within the Newcastle East Area, which thus has implications thereof on the level of employability of such individuals. Due to such, there is a need for the establishment of a wide range of educational facilities to the benefit of both the young and old, both males and females, and such includes, amongst other things, Early ChildHood Development Centres (ECDs), education centre, libraries etc. The intended purposes for such interventions is to improve the levels of literacy within these areas through capacity building, skills and training that will improve employability of this group.

Table 9: Geographical areas of the top 10 wards with the highest levels of illiteracy.

TOP 10 WARDS WITH THE HIGHEST CONCENTRATION OF PEOPLE WHO HAVE NEVER BEEN TO SCHOOL		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 22	1 010	Madadeni Section 1 – A & B
WARD 1	1 009	Charlestown, Clavis, Ingogo, Bothas Paas, Enketheni & Northdown
WARD 16	972	Blaauwbosch
WARD 6	901	Jobstown, Leslie and Suspense
WARD 31	785	Madadeni – R, Muiskraal & Masondale
WARD 33	728	Claremont & Manzana
WARD 14	720	Madadeni Section 7 – M, N & P
WARD 17	688	Osizweni – B & F
WARD 15	672	Cavan & Dickshalt
WARD 12	624	Johnstown

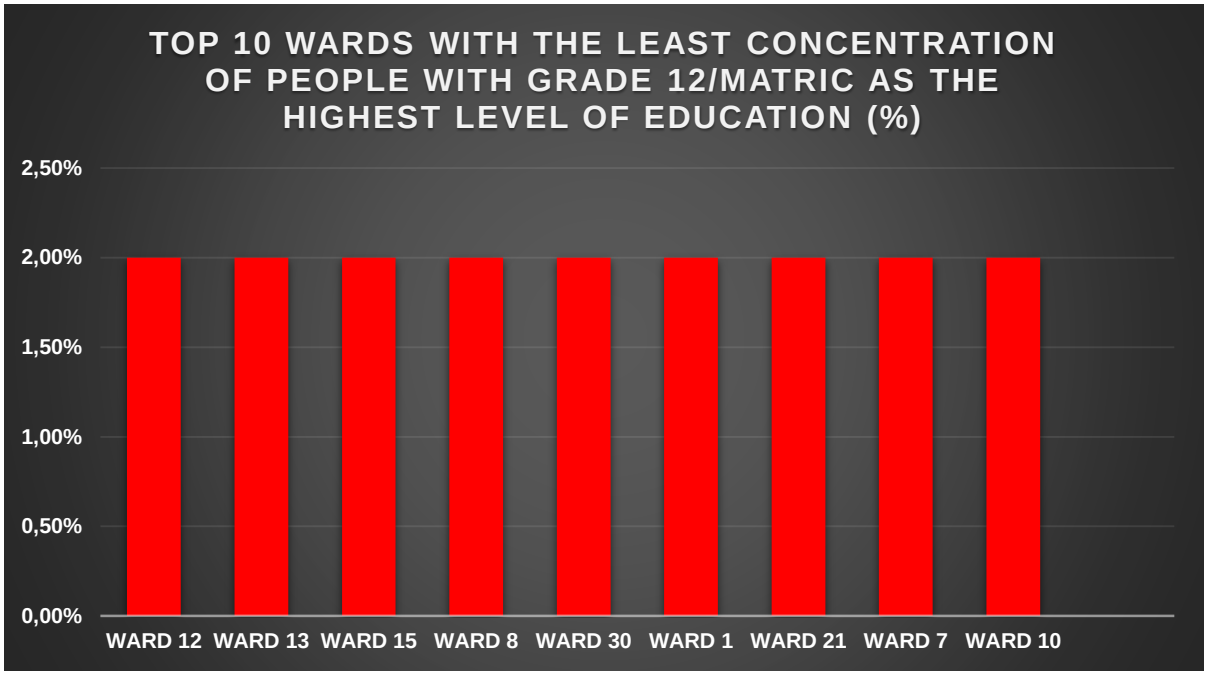


TOP 10 WARDS WITH THE HIGHEST CONCENTRATION OF PEOPLE WITH GRADE 12/MATRIC AS THE HIGHEST LEVEL OF EDUCATION		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 14	3 360	Madadeni Section 7 – M, N & P
WARD 26	3 239	Madadeni Section 3 – C, K & Madadeni Section 4 – D
WARD 34	3 063	Newcastle CBD, Arbor Park, Riverside Industrial Area, Newcastle Airport Area & KwaMathukuza
WARD 24	2 857	Madadeni Section 2 – B, D, E, G
WARD 27	2 708	Madadeni Section 6 – D, F & R
WARD 5	2 673	Amajuba Park, Berry Herzog Park, Ncandu Park
WARD 29	2 657	Madadeni Section 6 – F, L, M & R
WARD 2	2 564	Aviary Hill, Schuins Hoogte
WARD 3	2 545	Suryaville, Fernview, Fernwood, Lennoxton & Richview
WARD 23	2 453	Madadeni Section 3 – C & D



TOP 10 WARDS WITH THE LEAST CONCENTRATION OF PEOPLE WITH GRADE 12/MATRIC AS THE HIGHEST LEVEL OF EDUCATION		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 18	1 278	Osizweni – B & Blaauwbosch
WARD 12	1 315	Johnstown
WARD 13	1 436	Osizweni – B

TOP 10 WARDS WITH THE LEAST CONCENTRATION OF PEOPLE WITH GRADE 12/MATRIC AS THE HIGHEST LEVEL OF EDUCATION		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 15	1 476	Cavan & Dickshalt
WARD 8	1 544	Osizweni A & C
WARD 30	1 575	Osizweni – A & Jakkalspan
WARD 1	1 590	Charlestown, Newcastle CBD, Paradise Park & Paradise
WARD 21	1 627	Ncandu, Tuam Farm, Chiverlston
WARD 7	1 715	Osizweni C & D, Mndozo, KwaMlimi & Emadanyeni
WARD 10	1 759	Osizweni – A, C & D



Grand Total	10769	9432	8182	6634
Not applicable	1358	607	758	423
Unspecified	-	-	-	-
other	1	43	62	41
higher degree (masters; doctorate)	16	103	22	97
honours degree	14	204	48	183
bachelors degree and Post graduate diploma	16	189	49	97
bachelors degree	37	395	160	283
Post Higher Diploma (Masters; Doctoral diploma)	6	85	82	55
Higher Diploma	33	565	237	414
diploma with grade 12/std 10	37	420	226	370
certificate with grade 12/std 10	53	184	119	119
diploma with less than grade 12/std 10	7	51	26	29
certificate with less than grade 12/std 10	7	37	21	11
N6/NTC 6	7	114	35	77
N5/NTC 5	1	68	22	46
N4/NTC 4	1	99	44	81
NTC III/N3/NIC/(V) Level 4	9	125	48	86
NTC II/N2/NIC/(V) Level 3	4	66	30	35
NTC I/N1/NIC/(V) Level 2	3	57	25	24
grade 12/std 10/form 5	1590	2564	2545	1996
grade 11/std 9/form 4	713	348	515	229
grade 10/std 8/form 3	729	810	762	418
grade 9/std 7/form 2/ABET 4	582	321	352	176
grade 8/std 6/form 1	660	373	486	247
grade 7/std 5/ABET 3	622	234	251	141
grade 6/std 4	461	170	225	137
grade 5/std 3/ABET 2	509	156	179	135
grade 4/std 2	513	163	128	110
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	507	179	146	90
grade 2/sub B	501	142	151	98
grade 1/sub A	437	171	117	99
grade 0	323	212	171	191
No schooling	1009	181	143	96
	Ward 1	Ward 2	Ward 3	Ward 4

Grand Total	9958	11816	11636	9124
Not applicable	712	1668	1598	1030
Unspecified	-	-	-	-
other	39	-	6	8
higher degree (masters; doctorate)	39	5	-	6
honours degree	113	1	-	6
bachelors degree and Post graduate diploma	78	9	2	5
bachelors degree	290	7	15	11
Post Higher Diploma (Masters; Doctoral diploma)	55	9	7	6
Higher Diploma	532	17	23	79
diploma with grade 12/std 10	375	37	55	73
certificate with grade 12/std 10	211	49	93	198
diploma with less than grade 12/std 10	17	8	2	9
certificate with less than grade 12/std 10	40	4	9	12
N6/NTC 6	126	4	10	3
N5/NTC 5	127	7	12	18
N4/NTC 4	224	4	9	6
NTC III/N3/NIC/(V) Level 4	133	8	16	17
NTC II/N2/NIC/(V) Level 3	142	7	12	7
NTC I/N1/NIC/(V) Level 2	118	11	10	8
grade 12/std 10/form 5	2673	1931	1715	1544
grade 11/std 9/form 4	479	891	998	815
grade 10/std 8/form 3	679	826	971	734
grade 9/std 7/form 2/ABET 4	316	659	696	560
grade 8/std 6/form 1	418	683	765	668
grade 7/std 5/ABET 3	264	627	641	433
grade 6/std 4	235	542	469	350
grade 5/std 3/ABET 2	213	495	473	371
grade 4/std 2	236	516	498	357
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	191	434	420	341
grade 2/sub B	223	459	535	358
grade 1/sub A	217	451	438	304
grade 0	303	547	524	344
No schooling	141	901	614	442
	Ward 5	Ward 6	Ward 7	Ward 8

Grand Total	11827	8942	9121	9420
Not applicable	1525	1015	1027	1230
Unspecified	-	-	-	-
other	16	1	10	16
higher degree (masters; doctorate)	4	5	8	2
honours degree	27	18	14	4
bachelors degree and Post graduate diploma	20	8	14	7
bachelors degree	58	36	25	5
Post Higher Diploma (Masters; Doctoral diploma)	4	32	11	6
Higher Diploma	87	29	49	14
diploma with grade 12/std 10	133	212	94	35
certificate with grade 12/std 10	182	147	167	105
diploma with less than grade 12/std 10	4	15	9	5
certificate with less than grade 12/std 10	14	1	5	1
N6/NTC 6	21	8	6	20
N5/NTC 5	12	6	11	6
N4/NTC 4	24	11	10	10
NTC III/N3/NIC/(V) Level 4	15	9	16	16
NTC II/N2/NIC/(V) Level 3	11	12	15	6
NTC I/N1/NIC/(V) Level 2	11	6	17	16
grade 12/std 10/form 5	2030	1759	2008	1315
grade 11/std 9/form 4	1019	917	733	716
grade 10/std 8/form 3	1021	749	758	808
grade 9/std 7/form 2/ABET 4	703	472	467	549
grade 8/std 6/form 1	774	634	569	640
grade 7/std 5/ABET 3	633	392	407	515
grade 6/std 4	453	337	290	403
grade 5/std 3/ABET 2	425	292	269	381
grade 4/std 2	486	352	360	444
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	346	267	289	364
grade 2/sub B	399	312	259	374
grade 1/sub A	455	297	259	437
grade 0	420	280	353	348
No schooling	497	312	590	624
	Ward 9	Ward 10	Ward 11	Ward 12

Grand Total	8542	16805	11575	14456
Not applicable	969	2009	1611	1908
Unspecified	-	-	-	-
other	2	14	2	10
higher degree (masters; doctorate)	3	7	-	-
honours degree	7	11	1	4
bachelors degree and Post graduate diploma	6	5	2	2
bachelors degree	25	27	6	7
Post Higher Diploma (Masters; Doctoral diploma)	6	9	11	4
Higher Diploma	52	50	13	7
diploma with grade 12/std 10	113	84	23	40
certificate with grade 12/std 10	221	110	48	51
diploma with less than grade 12/std 10	3	14	5	2
certificate with less than grade 12/std 10	5	23	5	11
N6/NTC 6	12	28	9	8
N5/NTC 5	12	22	6	10
N4/NTC 4	10	35	11	6
NTC III/N3/NIC/(V) Level 4	14	42	5	11
NTC II/N2/NIC/(V) Level 3	12	30	8	14
NTC I/N1/NIC/(V) Level 2	28	32	5	17
grade 12/std 10/form 5	1436	3360	1476	2243
grade 11/std 9/form 4	687	1515	945	1115
grade 10/std 8/form 3	758	1476	946	1103
grade 9/std 7/form 2/ABET 4	482	966	764	864
grade 8/std 6/form 1	561	991	934	918
grade 7/std 5/ABET 3	399	841	711	832
grade 6/std 4	351	722	451	631
grade 5/std 3/ABET 2	276	611	491	668
grade 4/std 2	356	656	543	671
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	326	579	464	546
grade 2/sub B	283	568	451	582
grade 1/sub A	310	575	479	626
grade 0	391	671	478	573
No schooling	426	720	672	972
	Ward 13	Ward 14	Ward 15	Ward 16

Grand Total	12834	8756	10018	9696
Not applicable	1444	1149	1124	1130
Unspecified	-	-	-	-
other	5	2	18	4
higher degree (masters; doctorate)	3	5	-	10
honours degree	10	1	28	3
bachelors degree and Post graduate diploma	7	11	14	12
bachelors degree	21	11	24	22
Post Higher Diploma (Masters; Doctoral diploma)	5	2	14	10
Higher Diploma	57	5	62	47
diploma with grade 12/std 10	99	20	88	82
certificate with grade 12/std 10	172	19	122	117
diploma with less than grade 12/std 10	9	4	10	15
certificate with less than grade 12/std 10	22	1	2	4
N6/NTC 6	21	4	22	16
N5/NTC 5	22	2	27	10
N4/NTC 4	19	8	36	16
NTC III/N3/NIC/(V) Level 4	26	6	30	24
NTC II/N2/NIC/(V) Level 3	33	6	35	26
NTC I/N1/NIC/(V) Level 2	45	22	61	14
grade 12/std 10/form 5	2139	1278	2364	2125
grade 11/std 9/form 4	1164	756	884	824
grade 10/std 8/form 3	1133	842	852	840
grade 9/std 7/form 2/ABET 4	761	553	513	560
grade 8/std 6/form 1	840	666	627	589
grade 7/std 5/ABET 3	644	432	414	398
grade 6/std 4	460	340	330	378
grade 5/std 3/ABET 2	517	369	384	409
grade 4/std 2	561	386	318	357
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	446	299	332	296
grade 2/sub B	510	356	294	325
grade 1/sub A	427	360	297	286
grade 0	525	385	348	363
No schooling	688	454	342	383
	Ward 17	Ward 18	Ward 19	Ward 20

Grand Total	11291	8777	10616	11817
Not applicable	2059	1135	1138	1022
Unspecified	-	-	-	-
other	8	18	8	45
higher degree (masters; doctorate)	18	15	7	9
honours degree	40	56	13	34
bachelors degree and Post graduate diploma	22	16	14	45
bachelors degree	69	55	38	97
Post Higher Diploma (Masters; Doctoral diploma)	13	11	16	27
Higher Diploma	104	211	67	172
diploma with grade 12/std 10	160	194	204	255
certificate with grade 12/std 10	89	77	174	591
diploma with less than grade 12/std 10	11	18	8	37
certificate with less than grade 12/std 10	13	13	14	89
N6/NTC 6	18	35	25	64
N5/NTC 5	15	34	23	86
N4/NTC 4	18	50	30	118
NTC III/N3/NIC/(V) Level 4	25	26	32	76
NTC II/N2/NIC/(V) Level 3	16	49	40	90
NTC I/N1/NIC/(V) Level 2	10	53	45	106
grade 12/std 10/form 5	1627	2067	2453	2857
grade 11/std 9/form 4	746	584	827	899
grade 10/std 8/form 3	804	485	777	750
grade 9/std 7/form 2/ABET 4	656	326	586	540
grade 8/std 6/form 1	687	428	728	619
grade 7/std 5/ABET 3	591	264	398	420
grade 6/std 4	448	216	351	343
grade 5/std 3/ABET 2	492	220	360	327
grade 4/std 2	491	195	359	348
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	360	214	318	321
grade 2/sub B	397	196	423	304
grade 1/sub A	348	242	381	348
grade 0	379	264	306	407
No schooling	557	1010	457	373
	Ward 21	Ward 22	Ward 23	Ward 24

Grand Total	8601	13378	11031	8928
Not applicable	912	1495	1197	837
Unspecified	-	-	-	-
other	27	17	19	8
higher degree (masters; doctorate)	24	12	3	29
honours degree	25	29	13	24
bachelors degree and Post graduate diploma	30	23	20	13
bachelors degree	96	68	66	72
Post Higher Diploma (Masters; Doctoral diploma)	40	18	5	10
Higher Diploma	109	181	62	41
diploma with grade 12/std 10	117	211	226	305
certificate with grade 12/std 10	118	237	245	448
diploma with less than grade 12/std 10	16	15	11	24
certificate with less than grade 12/std 10	10	32	9	27
N6/NTC 6	9	47	45	34
N5/NTC 5	9	41	33	33
N4/NTC 4	19	60	65	46
NTC III/N3/NIC/(V) Level 4	15	75	53	67
NTC II/N2/NIC/(V) Level 3	7	73	46	18
NTC I/N1/NIC/(V) Level 2	21	56	33	52
grade 12/std 10/form 5	2091	3239	2708	2120
grade 11/std 9/form 4	583	1148	945	692
grade 10/std 8/form 3	794	940	731	609
grade 9/std 7/form 2/ABET 4	438	666	565	394
grade 8/std 6/form 1	659	787	619	499
grade 7/std 5/ABET 3	391	487	426	326
grade 6/std 4	277	389	335	298
grade 5/std 3/ABET 2	285	391	361	251
grade 4/std 2	269	439	395	299
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	245	423	324	243
grade 2/sub B	218	412	370	258
grade 1/sub A	196	418	323	229
grade 0	189	501	399	362
No schooling	359	450	381	261
	Ward 25	Ward 26	Ward 27	Ward 28

Grand Total	11065	9185	11379	11920
Not applicable	1218	1112	1539	1345
Unspecified	-	-	-	-
other	8	1	18	8
higher degree (masters; doctorate)	7	-	2	7
honours degree	9	2	2	16
bachelors degree and Post graduate diploma	5	5	11	12
bachelors degree	40	32	11	17
Post Higher Diploma (Masters; Doctoral diploma)	3	1	7	5
Higher Diploma	31	20	20	64
diploma with grade 12/std 10	229	43	49	81
certificate with grade 12/std 10	172	89	35	164
diploma with less than grade 12/std 10	10	9	5	9
certificate with less than grade 12/std 10	5	7	1	14
N6/NTC 6	28	12	6	16
N5/NTC 5	27	2	4	9
N4/NTC 4	48	7	24	7
NTC III/N3/NIC/(V) Level 4	20	5	17	10
NTC II/N2/NIC/(V) Level 3	28	7	18	17
NTC I/N1/NIC/(V) Level 2	8	9	19	21
grade 12/std 10/form 5	2657	1575	2232	2072
grade 11/std 9/form 4	921	858	919	947
grade 10/std 8/form 3	835	749	823	1024
grade 9/std 7/form 2/ABET 4	586	576	665	779
grade 8/std 6/form 1	698	584	706	875
grade 7/std 5/ABET 3	451	447	559	615
grade 6/std 4	427	398	452	456
grade 5/std 3/ABET 2	375	383	427	440
grade 4/std 2	421	372	432	487
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	371	370	396	425
grade 2/sub B	327	363	349	421
grade 1/sub A	334	321	427	465
grade 0	409	339	418	537
No schooling	357	489	785	555
	Ward 29	Ward 30	Ward 31	Ward 32

Grand Total	12369	13336	363236
Not applicable	1798	2709	43812
Unspecified	-	-	-
other	6	30	523
higher degree (masters; doctorate)	1	41	508
honours degree	2	60	1022
bachelors degree and Post graduate diploma	1	50	822
bachelors degree	7	256	2390
Post Higher Diploma (Masters; Doctoral diploma)	6	50	630
Higher Diploma	22	231	3707
diploma with grade 12/std 10	34	401	5124
certificate with grade 12/std 10	25	187	5138
diploma with less than grade 12/std 10	-	55	473
certificate with less than grade 12/std 10	1	27	499
N6/NTC 6	11	39	936
N5/NTC 5	13	29	806
N4/NTC 4	12	55	1223
NTC III/N3/NIC/(V) Level 4	14	37	1126
NTC II/N2/NIC/(V) Level 3	20	25	965
NTC I/N1/NIC/(V) Level 2	17	31	1011
grade 12/std 10/form 5	1940	3063	72792
grade 11/std 9/form 4	1092	812	28237
grade 10/std 8/form 3	978	980	28493
grade 9/std 7/form 2/ABET 4	674	504	19270
grade 8/std 6/form 1	747	769	22448
grade 7/std 5/ABET 3	607	368	16183
grade 6/std 4	527	336	12987
grade 5/std 3/ABET 2	467	338	12740
grade 4/std 2	580	299	13397
grade 3/std 1/ABET 1/Kha Ri Gude; SANLI	504	300	11674
grade 2/sub B	498	284	11999
grade 1/sub A	518	286	11878
grade 0	515	382	13154
No schooling	728	303	17270
	Ward 33	Ward 34	Grand Total

3.3. POPULATION BY WARD.

The population is spread unevenly amongst thirty four (34) municipal wards, with ward 14 being the most populated ward followed by ward 16 and ward 26. The main settlement areas that are found in ward 6 include Madadeni Section 7 – M, N & P. Ward 16 comprises of the Blauuwbosch area, with ward 26 comprising of Madadeni Section 3 – C, K and Madadeni Section 4 – D. Ward 16 I rural in nature with the majority of the land still being held in trust under the custodianship of the Ingonyama Trust Board.

Population growth rate in Newcastle is in an upward trajectory with the majority of the growth occurring mainly in the Eastern areas – around the Madadeni and Osizweni Townships. These are largely underdeveloped areas relative to the Western areas, and they are occupied mainly by a majority low income and poor communities. The current population movement patterns in the region suggest that the urbanization phenomenon continues characterised by the natural growth rate, breakdown in extended families and immigration being the main drivers of growth. Immigration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and lack of employment opportunities in the rural hinterland, and general decline in employment opportunities in the agricultural sector. Over the last ten years, Newcastle's agricultural region has registered a net decline in both production and employment opportunities, hence the migration of people from Newcastle to areas that offer employment opportunities. A closer look into the population figures down at ward level shows that the average population size per ward is 10 683 people. Also deduced from the figures is that about 50% of the wards are below the average population of Newcastle, whilst the other 50% is above.

Table 2: Top 10 wards with the highest (red) and lowest (yellow) number of people.

TOP 10 WARDS WITH THE HIGHEST (RED) AND LOWEST (YELLOW) NUMBER OF PEOPLE				
Ward No.	**Male**	**Female**	**Grand Total**	%
Ward 1	5281	5488	10769	3%
Ward 2	4443	4990	9432	3%
Ward 3	4134	4047	8182	2%
Ward 4	3250	3384	6634	2%
Ward 5	4789	5169	9958	3%
Ward 6	5504	6312	11816	3%
Ward 7	5449	6188	11636	3%
Ward 8	4378	4746	9124	3%
Ward 9	5479	6348	11827	3%
Ward 10	4094	4847	8942	2%
Ward 11	4211	4910	9121	3%
Ward 12	4355	5065	9420	3%
Ward 13	4099	4442	8542	2%
Ward 14	7685	9121	16805	5%
Ward 15	5464	6111	11575	3%
Ward 16	6831	7625	14456	4%
Ward 17	6136	6698	12834	4%
Ward 18	4154	4603	8756	2%
Ward 19	4544	5474	10018	3%

TOP 10 WARDS WITH THE HIGHEST (RED) AND LOWEST (YELLOW) NUMBER OF PEOPLE				
Ward No.	**Male**	**Female**	**Grand Total**	%
Ward 20	4667	5028	9696	3%
Ward 21	5957	5334	11291	3%
Ward 22	4110	4666	8777	2%
Ward 23	5057	5559	10616	3%
Ward 24	5552	6265	11817	3%
Ward 25	4375	4226	8601	2%
Ward 26	6555	6822	13378	4%
Ward 27	5246	5785	11031	3%
Ward 28	4199	4729	8928	2%
Ward 29	5173	5891	11065	3%
Ward 30	4330	4855	9185	3%
Ward 31	5504	5875	11379	3%
Ward 32	5651	6268	11920	3%
Ward 33	5665	6704	12369	3%
Ward 34	6522	6814	13336	4%
Grand Total	**172846**	**190390**	**363236**	100%

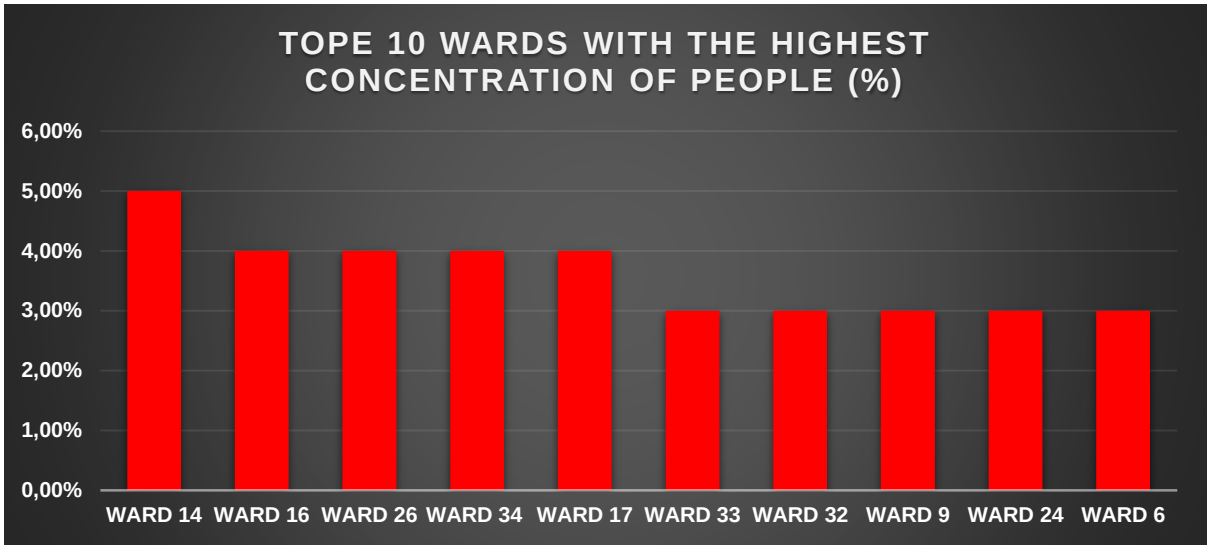
Source: Stats SA, 2011 Census Data.

From the table above, marked in red are the top 10 wards with the highest concentration of the population, and marked with yellow are the top 10 wards with the lowest concentration of the population within the jurisdictional area of the Newcastle Local Municipality. A very high majority of the wards listed as being amongst the top 10 wards with the highest concentration of the population are concentrated within the Newcastle East Area. This means that there is a higher population density within the Newcastle East Area relative to the Newcastle West Area. Furthermore, in terms of the growth trajectory, a high growth rate is experienced within this area thus necessitating the improvement of service delivery to cater for a growing population. Below is a list of the top 10 wards with the highest concentration and the geographical areas thereof.

Table 3: Geographical areas of the top 10 wards with the highest number of people.

TOP 10 WARDS WITH THE HIGHEST CONCENTRATION OF PEOPLE		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 14	16 805	Madadeni Section 7 – M, N & P
WARD 16	14 456	Blaauwbosch
WARD 26	13 378	Madadeni Section 3 – C, K & Madadeni Section 4 – D
WARD 34	13 336	Newcastle CBD, Arbor Park, Riverside Industrial Area, Newcastle Airport area & KwaMathukuza
WARD 17	12 834	Osizweni – B, F
WARD 33	12 369	Claremont & Manzana
WARD 32	11 920	Osizweni – A, E, F
WARD 9	11 827	Osizweni – D, E & Inverness
WARD 24	11 817	Madadeni Section 2 – B, D, E, G
WARD 6	11 816	Jobstown, Leslie and Suspense

Figure 2: Top 10 wards with the highest number of people.



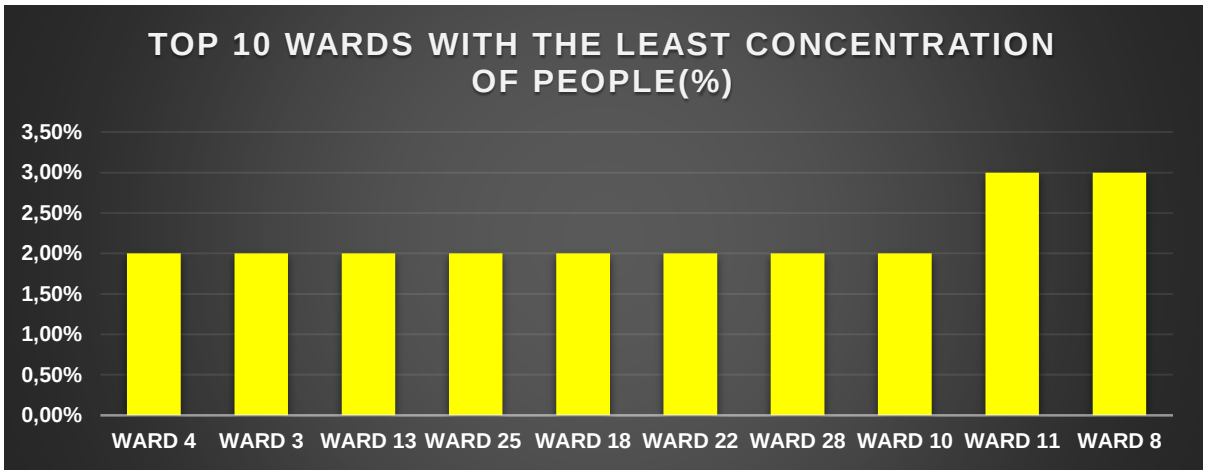
Source: Stats SA, 2011 Census Data.

Below are the wards with the lowest population amongst all the wards within the jurisdictional area of Newcastle Local Municipality and they are marked in yellow in the table above. Such wards are as follows:-

Table 4: Geographical areas of the top 10 wards with the lowest number of people.

TOP 10 WARDS WITH THE LEAST CONCENTRATION OF PEOPLE		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 4	6 634	Amiel Park, Farmers Hall Area, Hutten Heights & Pioneer Park
WARD 3	8 182	Suryaville, Fernview, Fernwood, Lennoxton & Richview
WARD 13	8 542	Osizweni – B
WARD 25	8 601	Fairleigh, Newcastle CBD, Paradise Park & Paradise
WARD 18	8 756	Osizweni – B & Blaauwbosch
WARD 22	8 777	Madadeni Section 1 – A & B
WARD 28	8 928	Madadeni Section 5 – E
WARD 10	8 942	Osizweni – A, C & D
WARD 11	9 121	Osizweni – A, B & F
WARD 8	9 124	Osizweni A & C

Figure 3: Top 10 wards with the lowest number of people.



Source: Stats SA, 2011 Census Data.

The location of the wards listed as being amongst the top 10 wards with the lowest concentration of the population is within both the Newcastle East and Newcastle West Areas. However they manifest differently in the sense that within the Newcastle West Area they are the fabric of poor apartheid planning that was characterised with an unequal distribution of land parcels based on race, and in the Newcastle East Area they are prevalent due to the low density uncontrolled urban sprawl that places jeopardy on valuable agricultural land.

The recent ward delimitation process which was conducted by the Municipal Dermarcation Board, in line with the requirements of the Local Government: Municipal Strucutres Act (Act No. 117 of 1998), saw an increase in the number of wards within Newcastle with an additional 3 wards, namely ward 32, ward 33, and ward 34. The location of the new wards is within the following areas, however not covering the whole, rather only parts of the area, in spatial terms:-

- Ward 32: Osizweni A, Osizweni E, Osizweni F;
- Ward 33: Manzana.
- Ward 34: Newcastle Central, Newcastle CBD, Riverside Industrial, Newcastle Indsustrial, KwaMathukuza.

The increase in the number of wards necessitates an increase in the number of Councillors to a number which is to be determined by the MEC. The increase also necessitates an increase in the number of Ward Committees from the current 310 to 340. An increase in the number of Councillors and Ward Committees necessitates an increase in the allocation of funds towards remuneration. Ward delimitation does not affect the population of Newcastle, however it will affect the population within the affected wards in that it has either increased or decreased head counts within certain wards. Furthermore, the ward delimitation process has also affected the size of the wards in spatial terms, either expansion or contraction.

The increase in the number of wards within Newcastle Municipality is a sign of positive growth towards a city status. The challenges encountered during the process are merely issues around the prjoected power struggles for political administration from a public perspective, From a municipal perspective, the ward delimitation process will not affect the delivery of municipal services within the different wards (business as usual). However, the process will play a significant role in terms of deepening local democracy and also improve local governance.

3.4. INCOME PROFILE.

Figure 8: Annual Household Income.



Source: Stats SA, 2011 Census Data.

Newcastle Municipality has a generally low income population with a large number of people living in abject income poverty as they do not have a reliable source of income. The majority of the households income is between R9 601 – R19 600 per annum (16 017 households) closely followed by households who earn between R19 601 – 38 200 per annum (15 638 households). Dependence on grant funding such as social welfare grants and pensions is also relatively high. As indicated in figure 6 above, the level of representation drops sharply as income brackets increases. As a result, the levels of affordability are generally low while dependency on social grants is high. 22 000 people applied to be registered on the indigent list for the municipality in 2010 and, as of July 2014 the figure had dropped drastically to 18 415, marking a 16.3% decrease. However, based on figures from the 'Summary of Registered Indigent Account Holders' (July 2014 – June 2015), as of January 2015, there has been a slight increase in the list to 18 973, marking an increase by 13.3%. The wards with the highest concentration of indigents are represented on the table below:-

Table 5: Number of indigents by ward.

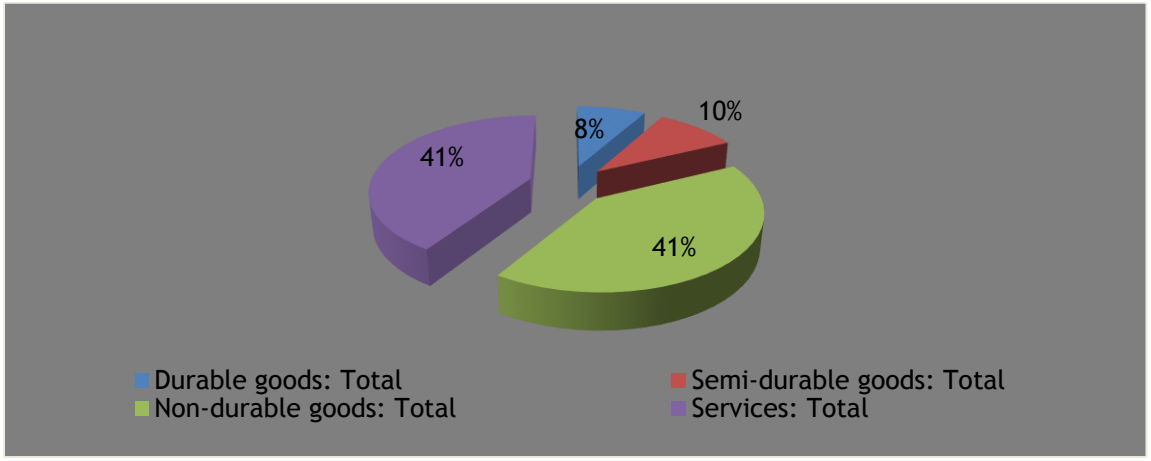
WARD	NO. OF INDIGENTS
WARD 20	1 501
WARD 14	1 286
WARD 9	1 270
WARD 10	1 239
WARD 17	1 119

WARD	NO. OF INDIGENTS
WARD 11	1 047
WARD 24	1 023
TOTAL:	**485**

3.4.1.Household Expenditure.

The total household income in 2010 was approximately R7.8 billion in Newcastle, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure (7.3 billion), which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that and additional R250 million worth of credit is being utilised in addition to total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

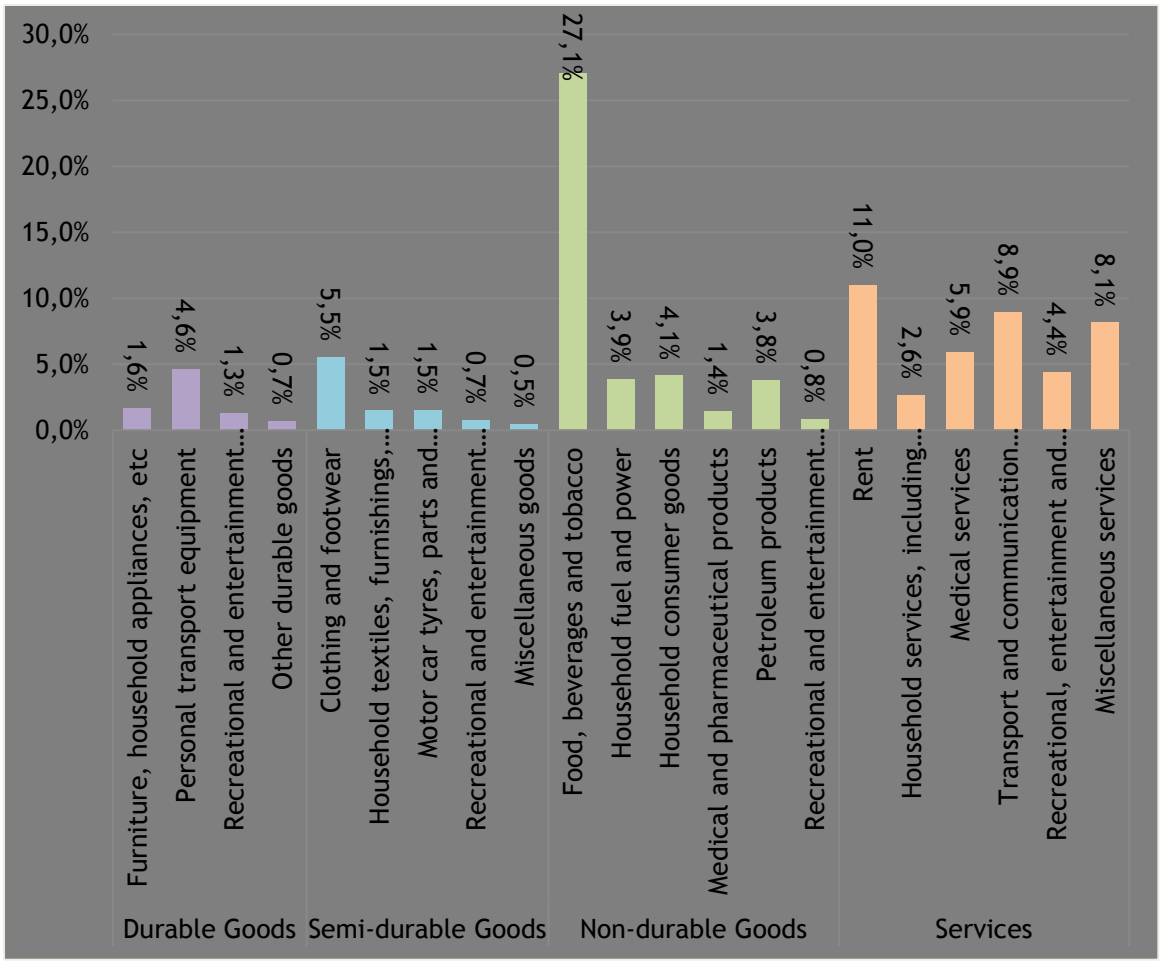
Figure 9: Household Expenditure.



Source: Urban-Econ calculations based on Quantec Data (2012).

The largest sub-category of expenditure is food, beverages and tobacco which collectively contributes just over 27% to the total expenditure within Newcastle. This is followed by rental (11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such a food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishings, transport equipment, recreation and entertainment, as well as luxury items.

Figure 10: Sub-category Contribution to Total Expenditure (2010).



Source: Urban-Econ calculations based on Quantec Data (2012).

3.5. EMPLOYMENT AND UNEMPLOYMENT.

3.5.1.Unemployment Rate.

In terms of the unemployment rate within Newcastle, based on the figures presented on the table below (Stats SA 2001 Census Data), in the year 2001 the number of people legible to work constituted 43.51% (144 885) of the total population. From the total number of people who were legible to work, only a mere 39.52% (57 266) were employed and the rest of the 60.48% (87 619) were unemployed. The unemployed people within Newcastle were ranging from the seasonal workers who were presently unemployed, and individuals who could not find work. Regarding the unemployment rate within Newcastle for the year 2011, the number of people who were legible to work constituted 27.71% (100 654) of the total population. From the total number of people who were legible to work, only 62.56% (62 968) were employed and the rest of the 37.44% (37 686) were unemployed. In terms of gender, in 2001 the highest concentration of the unemployed was amongst the female population (42 750) as compared to the male population (36 985), and in 2011 it still remains highest amongst

the female population (20 129) as compared to the male population (17 557). In general, the decrease in the unemployment rate means progress has been made within Newcastle from 60.48% in 2001 to 37.44% in 2011.

Table 6: Employment status by Gender in Newcastle.

	2001			2011		
	Male	Female	Grand Total	Male	Female	Grand Total
Employed	28 384	28 882	**57 266**	32 504	30 464	**62 968**
Unemployed	31 340	36 168	**67 508**	17 557	20 129	**37 686**
Scholar or student	22 455	20 622	**43 077**	-	-	-
Discouraged work-seeker	-	-	-	7 617	9 405	**17 021**
Home-maker or housewife	276	7 884	**8 160**	-	-	-
Pensioner or retired person/too old to work	3 845	6 155	**9 639**	-	-	-
Unable to work due to illness or disability	3 025	2 801	**5 826**	-	-	-
Seasonal worker not working presently	586	523	**1 109**	-	-	-
Does not choose to work	1 922	2 756	**4 678**	-	-	-
Could not find work	5 059	6 059	**11 118**	-	-	-
Other not economically active	-	-	-	50 405	61 820	**112 225**
Age less than 15 years	-	-	-	-	-	-
Not applicable	-	-	-	64 763	68 573	**133 335**
Grand Total	**96 533**	**111 850**	**208 383**	**172 846**	**190 390**	**363 236**

Source: Stats SA, 2001 – 2011 Census Data.

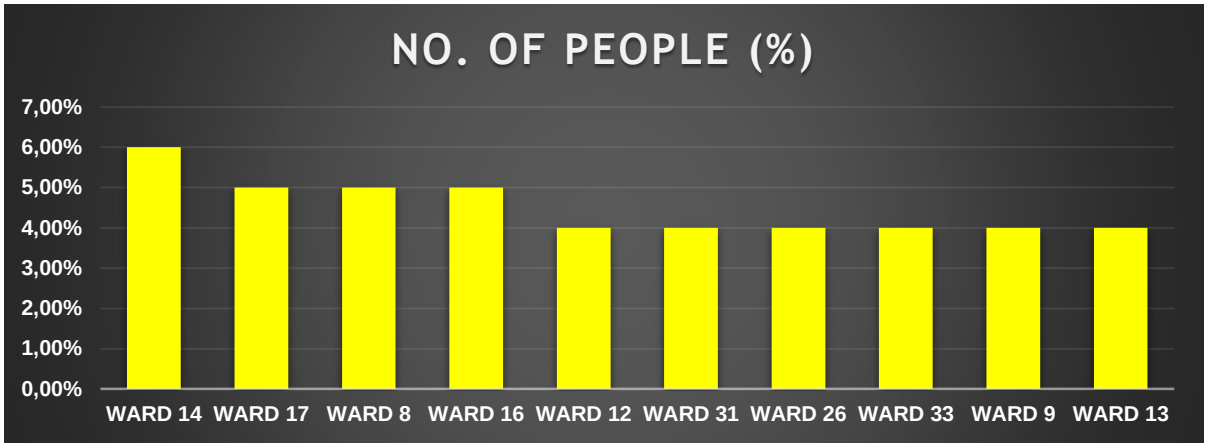
However, an analysis of the unemployment rate using the official expanded defition of unemployment reveals a slightly different picture. The average rate of unemployment in Newcastle Municipality is low compared to the Amajuba District, but higher than the provincial average of 21.7% and 22.4% among the females and males respectively. Zooming in at ward level, a much clearer picture is painted on the geographical concentration of the unemployed, which is mostly within the Newcastle Ease Area. There's also a direct correlation between unemployment and the levels of literacy within this area. Highlighted in yellow are the top 10 wards with the highest concentration of the unemployed within the Newcastle Local Municipality.

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Not applicable	Grand Total
Ward 1	1724	938	900	2920	4287	10769
Ward 2	4173	281	68	1967	2943	9432
Ward 3	2925	359	149	2547	2201	8182
Ward 4	2979	145	26	1523	1962	6634
Ward 5	3085	539	131	3371	2832	9958
Ward 6	1177	901	746	3923	5069	11816
Ward 7	1264	1353	869	3256	4894	11636

Ward 8	1054	1876	518	2172	3505	9124
Ward 9	1956	1525	494	3297	4554	11827
Ward 10	1170	867	509	3023	3371	8942
Ward 11	1425	699	438	3150	3410	9121
Ward 12	808	1581	397	2787	3846	9420
Ward 13	997	1340	430	2448	3327	8542
Ward 14	2773	2244	548	5039	6201	16805
Ward 15	1074	1080	1725	2798	4898	11575
Ward 16	1728	1773	979	3935	6041	14456
Ward 17	1452	1948	785	3816	4833	12834
Ward 18	889	1140	659	2532	3536	8756
Ward 19	1742	1098	268	3403	3507	10018
Ward 20	1392	915	189	3652	3548	9696
Ward 21	2879	750	375	3584	3702	11291
Ward 22	1435	702	289	3410	2940	8777
Ward 23	1549	837	270	4006	3954	10616
Ward 24	2110	1077	380	4444	3806	11817
Ward 25	2649	852	133	2482	2485	8601
Ward 26	2495	1544	675	3956	4708	13378
Ward 27	2067	1122	270	3708	3863	11031
Ward 28	1108	945	570	3244	3061	8928
Ward 29	2094	979	309	3876	3806	11065
Ward 30	937	710	752	3144	3643	9185
Ward 31	1481	1564	300	3522	4511	11379
Ward 32	1640	1269	571	3803	4636	11920
Ward 33	1008	1537	753	3683	5388	12369
Ward 34	3726	1194	546	3803	4067	13336
Grand Total	**62968**	**37686**	**17021**	**112225**	**133335**	**363236**

All the wards with the highest concentration of the unemployed are found within the Newcastle East Area in the townships of Madadeni, Osizweni, Blaauwbosch and Cavan. This has implications on the need for coordinated efforts between government and the private sector towards the creation of meaningful job opportunities. Furthermore, it is of crucial importance that the Newcastle Local Municipality creates favourable environments that will attract potential business into these previously disadvantaged areas, and also assist in the development of youth entrepreneurs.

WARDS WITH THE HIGHEST CONCENTRATION OF UNEMPLOYED		
WARD	**NO. OF PEOPLE**	**GEOGRAPHICAL AREA**
WARD 14	2 244	Madadeni Section 7 – M, N & P
WARD 17	1 948	Osizweni – B, F
WARD 8	1 876	Osizweni A & C
WARD 16	1 773	Blaauwbosch
WARD 12	1 581	Johnstown
WARD 31	1 564	Madadeni – R, Muiskraal & Masondale
WARD 26	1 544	Madadeni Section 3 – C, K & Madadeni Section 4 – D
WARD 33	1 537	Claremont & Manzana
WARD 9	1 525	Osizweni – D, E & Inverness
WARD 13	1 340	Osizweni – B



3.5.2.Employment Rate.

As of 2014, Newcastle Municipality accounts for 71.7% of both formal and informal employment within the Amajuba District Municipality (refer to Table 9). Since 2004 Newcastle's average contribution towards formal and informal employment within ADM has been 71,2% which thus means the contribution thereof is seating above average. The figures confirm the role of Newcastle as the main economic hub within the district that provides a variety of employment opportunities, both formal and informal. Also worth noting is the fact the percentage for total employment within Newcastle has remained higher than that of ADM's contribution within KZN which is characterized by a contracting trend.

Table 7: Total employment in Newcastle (Formal & Informal).

	KwaZulu-Natal	Amajuba DM	Newcastle	Emadlangeni	Dannhauser
Total Employment (Formal & Informal)					
2004	2 157 565	94 757	67 396	15 826	11 534
2005	2 230 816	96 464	68 472	16 184	11 808
2006	2 330 572	99 311	70 367	16 675	12 269
2007	2 413 021	100 993	71 536	16 819	12 639
2008	2 442 434	99 842	70 881	16 324	12 637
2009	2 416 239	96 017	68 317	15 431	12 269
2010	2 378 090	91 871	65 514	14 556	11 801
2011	2 358 272	88 884	63 518	13 913	11 452
2012	2 378 376	91 331	65 427	14 173	11 731
2013	2 416 117	93 950	67 340	14 524	12 086
2014	2 441 360	95 902	68 835	14 751	12 315

Source: KZN Treasury (Global Insight).

3.5.3.Formal Employment by Industry.

There is a higher percentage of semi-skilled labourers as compared to skilled labourers within Newcastle. This is based on observations made on the observation made on the literacy levels within Newcastle. A combined 7,4%% of the population within Newcastle may be deemed as skilled based on the percentage of people with tertiary and higher post graduate education as the highest level of education. 35,6 of the population may is semi-skilled based on the percentage of secondary education as the highest level of education. The graph below depicts the distribution of those employed in the formal economy based on analysis made on broad economic sectors within Newcastle.

Table 8: Employment in Newcastle by Broad Economic Sectors (9 sectors).

	KwaZulu-Natal	Amajuba DM	Newcastle	Emadlangeni	Dannhauser
Formal Sector Employment					
Number of formally employed people in Broad Economic Sectors (9 sectors)					
1 Agriculture	91 759	3 016	1 542	839	635
2 Miningi	10 394	751	512	136	102
3 Manufacturing	289 046	8 787	6 617	1 293	877
4 Electricity	10 411	611	439	66	106
5 Construction	132 778	4 141	2 814	551	776
6 Trade	329 222	13 292	10 215	1 748	1 329
7 Transport	118 180	3 004	2 048	350	606
8 Finance	299 270	7 665	5 631	1 064	970
9 Community services	492 107	26 858	20 424	3 648	2 786
Households	216 148	6 418	3 785	1 503	1 131
Total	**1 989 315**	**74 543**	**54 028**	**11 199**	**9 317**

Source: KZN Treasury (Global Insight).

Collectively the primary sectors of Newcastle's economy (agriculture and mining) both contribute 3.8% to total formal employment within Newcastle. Of concern is the diminishing growth of formal employment within the agriculture sector due to a decrease in the levels of precipitation. The manufacturing sector, the sector that once made a significant contribution towards formal employment within Newcastle, contributes 12.2% to total formal employment (6 617 people). The manufacturing sector has also experienced negative growth trends largely attributed to the current global financial outlook. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, two of the sectors that form the foundation of the economy. Innovative measures by government are required in order to ensure that the agricultural and manufacturing sectors are rejuvenated to absorb more labour and stimulate economic activity.

The trading sector (including wholesale & retail trade, catering & accommodation) is amongst the largest formal employement sectors with 18.9% of formal employment. The only other economic sector which is higher than the trading sector is the community services sector and it contributes 37.8% towards total employment within Newcastle. The finance sector contributes 10.4%, while the community, whereas the construction and the transport sector collectively contribute 8.9% towards formal employment.

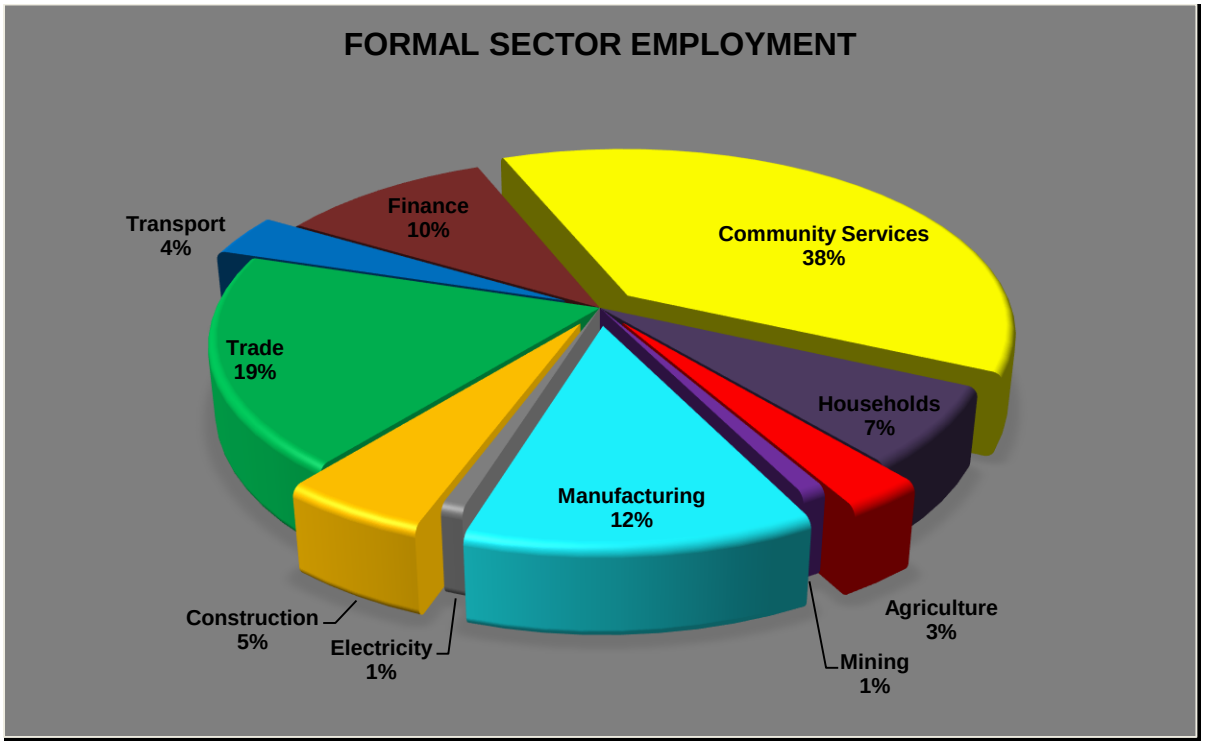


Chart 1: Formal sector employment within Newcastle.

3.6. ECONOMICALLY ACTIVE POPULATION.

Of the total population of Newcastle, 61% are within the working age bracket (16 - 64 years). Approximately 55% of those within the working age bracket are not-economically active. In terms of the strict definition of unemployment (those who are unemployed, and have given up looking for employment), 29.2% of the labour force (those willing and able to work) are classified as unemployed. This is in line with the district unemployment rate of 29.7%, yet higher than the provincial average of 23.2%. Of those employed, 79.7% are employed within the formal market, while the remaining 20.3% are employed in the informal market. The table below displays the level of skill of those employed in the formal employment market.

Table 9: Level of Education for Formal Sector Employees.

Level of Education	No. of People
Grade 0	91
Grade 1 / Sub A	204
Grade 2 / Sub B	390

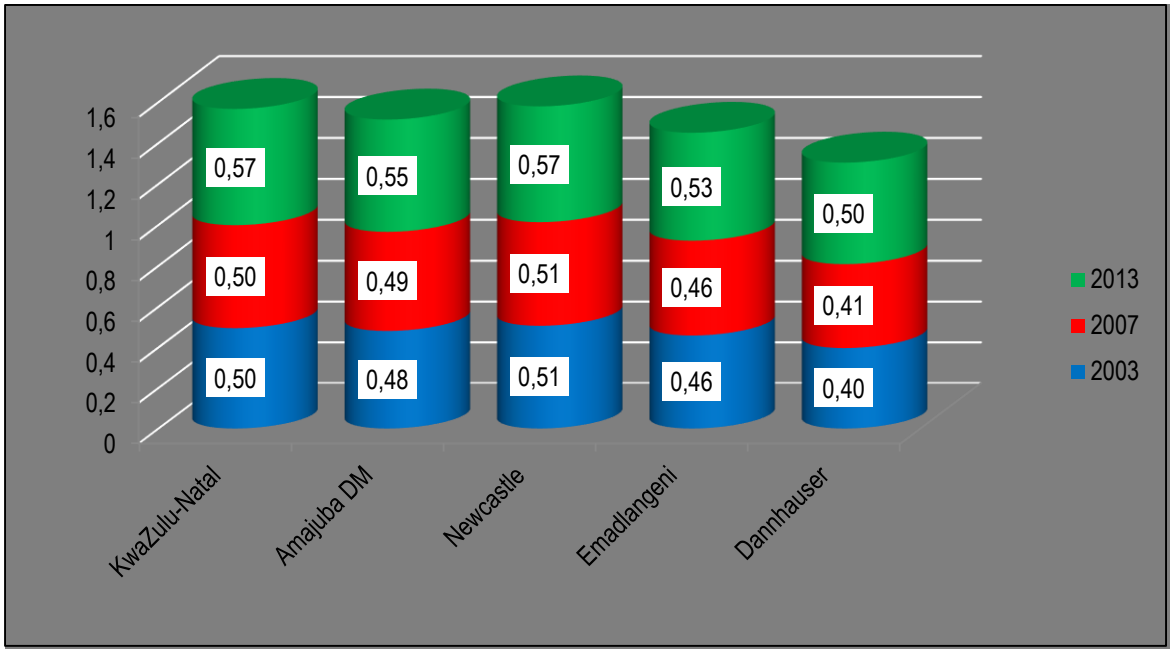
Level of Education	No. of People
Grade 3 / Std 1 / ABET 1Kha Ri Guide; SANLI	398
Grade 4 / Std 2	568
Grade 5 / Std 3 / ABET 2	580
Grade 6 / Std 4	664
Grade 7 / Std 5 / ABET 3	1 179
Grade 8 / Std 6 / Form 1	1 946
Grade 9 / Std 7 / Form 2 / ABET 4	1 733
Grade 10 / Std 8 / Form 3	3 612
Grade 11 / Std 9 / Form 4	3 747
Grade 12 / Std 10 / Form 5	18 227
NTC I / N1 / NIC / V Level 2	140
NTC II / N2 / NIC / V Level 3	162
NTC III / N3 / NIC / V Level 4	315
N4 / NTC 4	312
N5 / NTC 5	221
N6 / NTC 6	374
Certificate with less than Grade 12 / Std 10	149
Diploma with less than Grade 12 / Std 10	256
Certificate with Grade 12 / Std 10	1 936
Diploma with Grade 12 / Std 10	3 104
Higher Diploma	2 396
Post Higher Diploma Masters; Doctoral Diploma	397
Bachelors Degree	1 696
Bachelors Degree and Post Graduate Diploma	563
Honours Degree	753
Higher Degree Masters / PhD	338
Other	205
No Schooling	1 153
Unspecified	0
Not Applicable	0

Source: Stats SA – 2011 Census Data.

3.7. HUMAN DEVELOPMENT INDEX.

The Human Development Index (HDI) for Newcastle has improved significantly since 1996 (refer to table 12). This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is, however, below the provincial average of 33% in urban areas. Most of the poverty-stricken households of Newcastle are located in the East as well as within the areas that under Traditional Authority. The urbanized population is generally better off than the rural communities with regards to the affordability levels. The rural communities' level of access to basic service is significantly low hence resulting in major challenges. The provision of sustainable basic and essential services to these communities has proven to be one of the greatest challenges of the Newcastle Municipality, and innovative service delivery options are encouraged.

Figure 11: Human Development Index.

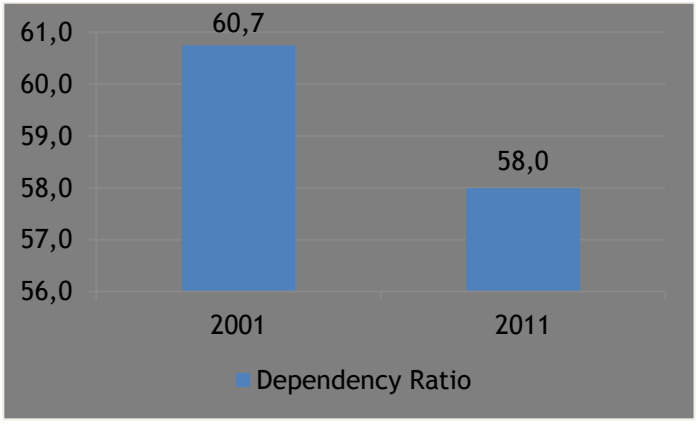


Source: Global Insight.

3.8. DEPENDENCY RATIO.

The dependency ratio indicates the number of young people (under 16years) and older people (above 64years) who depend on people of working age (16 – 64 years) for the livelihoods. As indicated on Figure 9, the dependency ratio in Newcastle has declined from 60.7% in 2001 down to 58% in 2011.

Figure 12: Dependency Ratio [Per 100 {15 - 64)].



3.9. POVERTY LEVELS.

The table below compares the number of people living in abject poverty within Newcastle Municipality with that of KwaZulu-Natal, Amajuba District and other local municipalities within the district. Newcastle Municipality has the least (44.4%) number of people living in poverty within Amajuba District which has an average of 50.9%. The provincial average is 45.7%. 72.1% of the population in Dannhauser Municipality is living under poverty.

Table 10: People Living in Poverty.

	2002		2006		2012	
Districts	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty
KwaZulu-Natal	5 586 644	58.1%	5 224 176	52.8%	4 729 241	45.7%
Amajuba	301 878	64.4%	287 427	59.4%	256 987	50.9%
Newcastle	**170 620**	**56.0%**	**162 113**	**51.0%**	**148 150**	**44.4%**
Emadlangeni	43 787	69.1%	43 273	64.6%	34 941	51.3%
Dannhauser	87 471	86.8%	82 041	82.6%	73 896	72.1%

Source: Global Insight.

3.10. Stats SA: 2016 Community Survey.

3.10.1. Background to the 2016 Community Survey.

Community Survey 2016 (CS) is the second largest survey undertaken by Statistics South Africa following the one conducted in 2007. The survey remains one of the main data sources that provide indicators at national, provincial and municipal levels for planning and monitoring the performance of specific development programmes such as education, health, sanitation, water supply, housing and transport. In addition, the survey provides demographic information critical in understanding population-development nexus. The objective of the community survey was thus to provide population estimates as well as household characteristics. The information will be used to inform Integrated Development Plans and Infrastructure investment budgeting.

The purpose of this report is to provide a profile of the country, as portrayed by the 2016 Community Survey. The CS 2016 not only adds to the trend in data regarding socio economic aspects but more importantly provides the latest evidence on the levels and differentials regarding demographic drivers (fertility, migration and mortality). The CS 2016 is the first survey to provide a module ascertaining information on emigration that the country conducted.

Community Survey 2016 is the second intercensal survey in a democratic South Africa. This household based survey is one of the few available data sources providing data at municipal level. Provision of data at this level supports evidence-based decision making that has become increasingly a best practice which many countries, including South Africa, embrace. CS 2016 results are thus critical in promoting optimal resource allocation and utilisation in all spheres of government in order to reduce poverty and vulnerability among South Africa's most marginalised. Secondly, the development and implementation of policy, implementation of legislature deems it necessary to have reliable statistics that inform social, demographic and economic standing of the country.

The CS 2016 is the second largest sample survey Statistics South Africa undertook after CS 2007, but this time around the data are collected electronically using Computer Assisted Personal Interviewing (CAPI) system as opposed to the paper collection method used in CS 2007. The new initiative in the organisation is expected to reduce financial and time costs in data processing as well as data quality enhancement. Eligible persons for enumeration are all persons present in the household(s) of the sampled dwelling units on the reference night (midnight 6th March 2016 to 7th March 2016) including visitors. Members of the household who were absent overnight, for example, working, travelling, at entertainment or religious gatherings but returned the next day should also be counted. For purposes of the Stats SA a household is a group of persons who live together, and provide for themselves jointly with food and other essentials for living, or a person who lives alone. Babies born before the reference night should also be included in the count, the reason being that they were already born by the midnight 6th March to 7th March 2016. Members of the household who died after the reference night were counted in as they were alive during the midnight of the reference period. In contrast, those born after the reference night were excluded.

The use of the CAPI system is not the only new process used, others include utilisation of the present updated dwelling frame data captured from the Census 2011 listing process. Newly incorporated in the CS questionnaire include:

- Main religious affiliation
- Main reason for leaving the country
- Mode of transport used to reach the persons destination for going to school or work and time taken to reach the destination.
- Main challenges/problems/difficulties facing municipality
- Quality and satisfaction with basic services
- Opinion on improving standards of living in households
- Sources of income
- Year of death of mother and/father if reported deceased
- Perceptions of safety and crime experienced in households
- Food security measures.
- Extended additional questions on agricultural activities in households.
- Characteristics of emigrants (persons who left the country to live elsewhere).

This section highlights the planning processes for the CS 2016. During the planning phase, the focus in the early stages was primarily on setting strategic directions and ensuring that all dependencies between the different phases and roles players were identified, potential risks highlighted and control measures put in place to minimise their adverse effects. This facilitated effective integration and implementation of various activities by ensuring that each phase was properly resourced. During the planning phase, all work streams and focus areas prepared operational plans which provided detailed lists of activities that were to be undertaken to achieve specific objectives and outputs as profiled in the CS 2016 Project Charter.

3.10.2. Community Survey 2016 sampling methodology.

The sample design of the CS 2016 was a stratified single stage sample design. At EA level, all in-scope EAs were included in the sample and a sample of dwelling units was taken within each EA (i.e. there was no sub-sampling of EAs). The EA frame was based on the Census 2011 information. The updated dwelling unit (DU) frame was constructed by the Geography team using geo-referenced spatial systems.

3.10.3. Questionnaire development processes for CS 2016.

The development and the design processes of the CS 2016 questionnaire was informed by national priorities, global and continental emerging population issues embedded in the SDGs, data needs of both existing and prospective users and comparability with the previous community survey (i.e. CS 2007) and censuses. The development of the CS Questionnaire involved a number of phases as mentioned below:

- Stakeholder needs assessment is an international best practice in survey and census planning aimed at producing products that meet user needs. Stakeholders play a fundamental role in providing information on questions to be asked in a survey. During this phase, processes including review of previous censuses' data items and questionnaires were undertaken, and user consultations were held with key internal stakeholders on what needed to be measured in CS 2016.
- Through the consultation process, it became clear that there is increased demand for data at municipal level. Following the consultation process, Community Survey data items were finalised and categorized into broader themes of demographics, migration, general health and functioning, parental survival, education, income and social grants, employment, fertility, mortality, housing conditions, access and quality of basic service provision.

Community Survey 2016 questionnaire was designed using the World Bank Survey Solutions application, which is an on-line based questionnaire design application. During the design, skipping patterns and validation rules were predetermined and embedded in the electronic questionnaire. Data collection instruments, questionnaires in particular must be developed and subjected to thorough testing and review processes to ensure that the final product (questionnaire) solicits accurate information. Community Survey 2016 questionnaire consists of new questions while some other questions have

been adopted from existing household based surveys and Census 2011. Two-stage testing was adopted for CS; Behind-the-glass test and field testing. The results of each test were used to improve the quality of the draft questions and CS 2016 indicators. The draft CS questionnaire was presented at different fora approval. These include CS technical Committee, Questionnaire Clearance Committee, CS Management, Population and Social Statistics Cluster, Statistics Council Population sub-committee and Executive Council.

3.10.4. Objectives of the report.

- To provide extent of comparability between CS 2016 and at least the previous Census.
- To provide the extent of comparability between CS 2016 and at least the previous Census data regarding priority socio-economic indicators.
- To provide a comparison of the figures for access to basic household services between CS 2016 and the previous Census.
- To provide figures for newly incorporated questions for the purpose of narrowing the information gap.

3.10.5. Local Municipality by MIIF classification, proportionate share of government grants and poverty headcount, 2011 versus 2016.

Province/district/Local municipality	Municipal sub-category	2015 Grants and subsidies received as a % of total income	Poverty			
			2011		2016	
			Poverty headcount	Intensity of poverty	Poverty headcount	Intensity of poverty
555 DC25: Amajuba	**C2**	**89,4%**	**7,5%**	**42,0%**	**4,7%**	**41,4%**
524 KZN252: Newcastle	B1	22,6%	5,5%	42,1%	3,9%	40,8%
525 KZN253: Emadlangeni	B3	57,0%	21,4%	42,1%	6,8%	42,1%
526 KZN254: Dannhauser	B4	68,3%	11,6%	41,6%	7,5%	42,6%

3.10.6. Comparison of CS 2016 population with Census 2011.

A question on date of birth followed by the completed age was asked of all members who were present in the sampled dwelling unit on the night of 6th to the 7th March 2016 was asked of all household members during CS 2016 data collection. Age expressed as the number of years lived by an individual; the person's age at their last birthday.

Responses for this questionnaire enabled analysis of the population structure by age as compared to that of Census 2011 presented in Figure 2.1.

On one hand, Census 2011 reflected a somewhat fluctuating dip in the age structure for persons aged around 7 to 17 years old. At face value, this may be interpreted as the impact of missed school children since there may be no explanation for it. On the other hand, Community Survey 2016 reflects a slight shift in ages of missed children during Census 2011 from around 11 to 19 years old. This finding suggests that part of the CS 2016 missed ages constitute the cohort missed during enumeration of Census 2011.

3.11. CROSS CUTTING ISSUES.

Newcastle Municipality, an aspirant 'Inclusive City' is a town established as KZN 252 in terms of the Municipal Demarcation Act (Act No. 87 of 1998) and is the main economic hub amongst the family of four municipalities known as Amajuba District Municipality. Newcastle Municipality is located on the north western border of the KZN, 36 km away from Memel in Free State Province and 100 km away from Ermelo in Mpumalanga Province.

Newcastle's space economy is dominated by wholesale, retail and trade at 14% of the local GDP, whilst the least economic contributor is the mining sector at 1%. It's 1854 km² geography begins at Bosworth rural area, south of N11 and spreads to the eastern and western region merely to conclude with Charlestown on the North of National Road N11. The economy of this 'aspirant city' is simply a reflection of the state of affairs prevailing in the country, where the economy is not performing, businesses are closing down, even the steel markets are on the downward spiral.

3.11.1. Land-use and Ownership.

One of the core principles of SDF, is to achieve spatial equity either by way of distribution of land in a fair manner and redress approach or in the formation of sustainable human settlements, it therefore becomes judicious to look at the land split in the municipal region from the perspective of ownership.

The topic of 'land' is quite a sensitive and delicate one in this developmental Country and at the center of it, is the historical baggage of how it was acquired from the time of 'Koi San' to land dispositions during formation of 'Bantu' homelands. Newcastle area appear to be mirroring the same agenda prevailing national wide. The vast expanse of land is owned by commercial farmers and located west of the municipal area with small pockets of land located on the immediate vicinity of the built-up area, see the map below.

Spaces such as the CBD and the industrial area are generally productive and able to endure all kinds of storms. The current industrial area is 95% developed and plans for

the expansion are underway. These plans have been boosted by the recent funding received abroad for development of the airport and the techno hub.

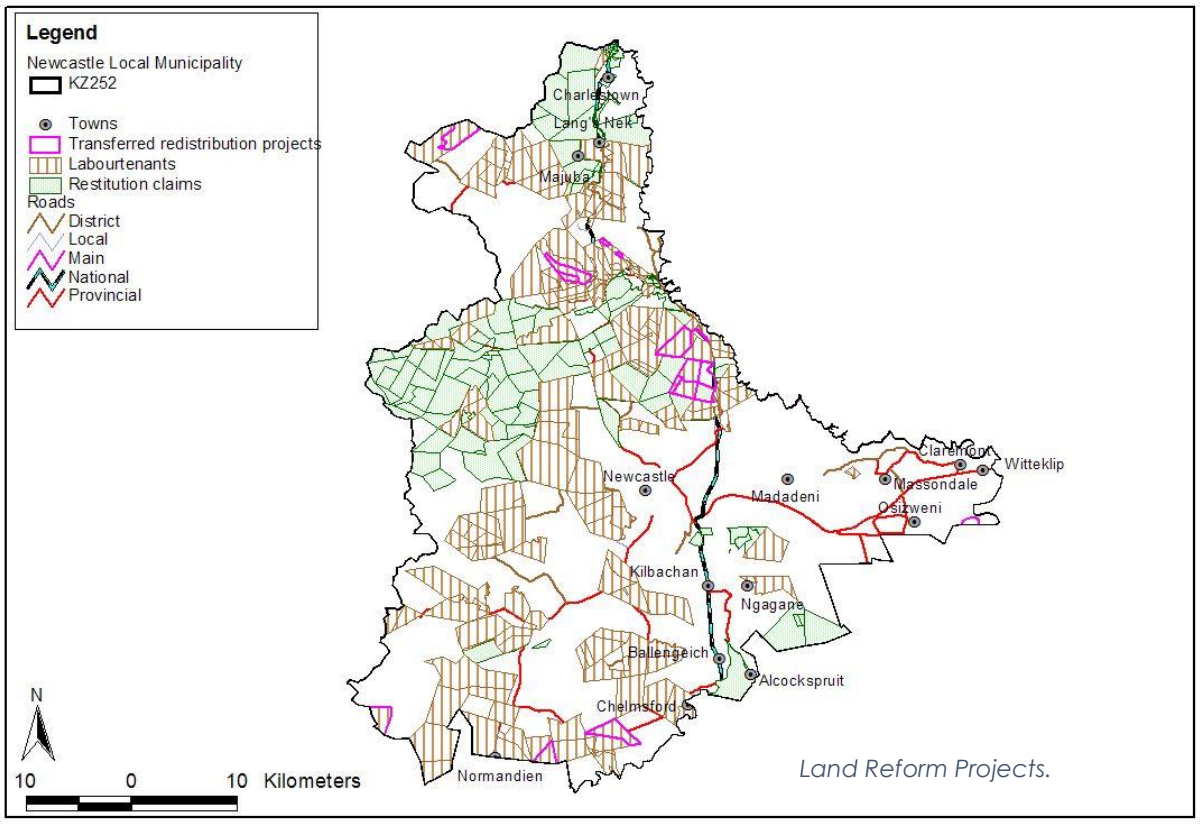
In the quest of reversing the gains of apartheid planning, the municipality commissioned the research with primary intent to establish who therefore owns the vacant pieces of land. Below are diagrams showing who the owners of the vacant pockets of land. It further breaks the distribution down by race and essentially it is this research that the municipality will utilize in its endeavour to achieve spatial equity. The interesting fact about this statistics is that majority of the privately owned vacant land (at 36%) is in the hands of the adult black males who have not reached retirement, between the ages of 39& 79 years to be precise. The inference of this research is that, the middle aged group is the one that must be pumping investment into the area to bridge the gap of spatial equity. And therefore, their socioeconomic status in this context becomes key. It begs the question of whether they are fiscally liquid to take this municipality to new heights and rewrite hostilities of history associated with the black life.

It is without a doubts that matters such location of these land parcels may be subjective from the people expected to invest and that the municipality is selling prime land to the lucrative investors. It is important to strive for a balance when land distribution or redistributions thereof is assumed. Growth and expansion of the town yield rapidly when land ownership is intertwined with economical ability to invest on available markets. It reduces the risk of stagnation of land ownership and prospecting for too long. In other words the intention is not to own land as a valuable asset and reduce productivity thereof, as is the case in most of the land reform projects.

3.11.2. Status of the Land Reform Programme.

According to the Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:-

- Land Redistribution (LRAD): There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).
- Land Restitution: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.
- Tenure Security (Labour Tenants): There are tenure security claims on 99 farms, making up a total area of 973ha.



The Amajuba District Municipality Area Based Plan further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

3.11.3. Land Tenure Upgrading.

The need for land tenure upgrading in the NLM affects four types of communities, namely:-

- People who hold Deeds of Grant to land;
- People who require their title deeds to be adjusted;
- Tenants in the JBC area; and
- Farm dwellers.

3.11.4. Ubuhlebomzinyathi.

There is a small amount of pockets of land being traditionally held within the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure

upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim Protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums.

3.11.5. AmaHlubi Settlement.

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of the Osizweni Township and the JBC area.

3.11.6. Labour Tenant Claims.

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been sluggish. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. Through the rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

3.11.7. Land Restitution.

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and ranges with complexities. Charlestown, which involves dairy farming, timber plantations, crop production and livestock farming, has been resolved successfully with the community obtaining access to more than 10 000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

3.11.8. Impact of the land Reform programme.

As indicated on the map above, the land reform programme has a significant spatial impact in the area such as the following:

- The loss of productive agricultural land to residential development, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities.

- Land reform resulting on the loss of productive agricultural land. If operations on productive land are unsustainable, this will “virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security.”
- Provision of adequate water supplies. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threats includes climate change, invasive alien plants and pollution.

3.11.9. Restructuring frontiers of the Spatial Inequity.

The spatial character of South African cities and towns was shaped by apartheid planning based on segregation along race and class lines. Newcastle is no exception to this national phenomenon, where Madadeni, JBC area, Osizweni, etc. were developed 15 km away from affluent urban residential neighbourhoods. In this fractured and inefficient spatial structure, poor communities are situated away from job and economic opportunities, and excluded from the social fabric of the town. Therefore, as the epicentre of our desirable spatial pattern is a concept of smart planning driven by the trends of modern urbanism and cultural diversity.

From a planning point of view, we desire the city harnessed by the following principles which serve as the bedrock of this aspired model and inclusive city. These tools at the centre of restructuring this undesirable built form left and a constant reminder of how fragile the democracy really is:-

- Spatial Equity
- Spatial Efficiency
- And sustainability and resilience

3.11.10. Spatial Equity.

The primary intent for spatial equity is to reverse the systematic approach to access and land distribution based on racial and class lines. The main responsibility of spatial equity is to ensure that all land users have the opportunity to utilise well suited and available land to address their basic needs and requirements for sustaining livelihoods and pursue prosperity. Equity in relation to spatial planning is achieved through the following elements:-

- Provision, upgrading and maintenance of key distribution routes.
- Promotion of economic activities in closer proximity to the unemployed;
- Clustering of social and community facilities at more accessible points.
- Promotion of private sector investment in disadvantaged areas.
- Spatial focus of resources to redress inequalities in services standards and quality of life.

The municipality has crystallised the above mentioned factors through its programme of revitalising the so called ‘black townships’ such as the Madadeni and Osizweni. Its programme of action is regarded as (Madadeni, Blaauwbosch and Osizweni) commonly known as MBO development, which is a blue print for investment in these areas. This

is where at least 80% of the population resides, yet embroiled with unacceptable levels of inequality.

The following are some of the key structural elements of the MBO complex:-

- Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.
- Loose character of the urban fabric epitomized by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.
- Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.
- Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas;
- The net effect of this situation is an inefficient disintegrated spatial system, characterized by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

There are multiple projects being undertaken by different funders in MBO area, from the municipality's own revenue, to private sector investment and all driven by the notion spatial equity. The Blaauwbosch area alone has a range of projects transcending to the neighbouring vicinity being the Johnstown and Cavan areas, otherwise referred to as JBC, a median of Madadeni and Osizweni townships located in the Newcastle Eastern area. People in this area are settled on unstructured farm land which has gradually urbanized over time. Due to its organic spatial pattern, the settlement is deprived of municipal basic services such as piped water on each property and sanitation network. It is defined by unstructured and malfunctioning movement patterns. And whilst this yield the character of the area, the indigenous knowledge demonstrated by owners of the residents during land allocation is somewhat admirable. They have due regard for connecting different parts of the settlement, either for motorised transportation or those walking on foot. In short, there has been realization of the grid layout planning.

The JBC area by all accounts, seem to be what planning principles purport namely with regards to the following:-

- Its central location unveils advancement of the so desired integration of fragmented settlement patterns. At the peak of the JBC area, the geographical boarders evident today, will be no more in future. Madadeni and Osizweni will be integrated through the JBC node;
- The population densities at…per hector in the area, present an opportunity to enhance this even further and achieve the desirable thresholds;
- Social facilities will be clustered in identified and suitable localities to allow their optimization both from the maintenance and usability perspective;
- It is conveniently traversed by the provincial road, P483, to the west. It is noted with fascination that P483 Road has transcended from being the mobility corridor to a development corridor over the recent years. This road used to serve as mobility of goods and services between Newcastle area and the broader northern region, Including Vryheid and the likes;
- Bulk infrastructure is currently located in the close proximity and currently servicing the likes of Madadeni and Osizweni townships; and
- As such the JBC area through various innovations to enhance the area, it has been approved as one of the mega housing projects in the country, with an estimated 14 000 households and 70 000 people in the near future. This population accounts for Madadeni and Osizweni combined.

3.11.11. Spatial Efficiency.

Spatial efficiency is achieved through the use of limited resources to maximize the development potential. Efficient and strategic spatial planning should ensure the co-ordination and the resolution of conflicts between competing activities, while strengthening market access and unlocking development opportunities crucial for economic growth.

1. Provision, upgrading and maintenance of **key distribution routes**.
2. **Infill planning** is required to make the delivery of services more cost effective.
3. **Stimulation of economic districts and nodes** to promote sufficient market thresholds.
4. **Planning around bulk capacities** to ensure more cost effective developments.
5. Promotion of **economic opportunities in close proximity to residential functions** (where sustainable).
6. Integration of diverse and complementary land uses to allow ease of movement of goods, services and people.

Smart cities require that development proceed in an intelligent manner where land use activities are concentrated within a manageable span of control from the infrastructure point of view. In other words serviced areas should seek to maximize development where all vacant tracks of land have been developed adequately, otherwise referred to as infill development.

The Siyahlala la low income housing development is symbolic of the genius approach towards smart planning the Municipality bolsters about. This settlement was designed with primary objective to promote and maximize use of urban land. It is located approximately 4 km from the Central Business District and 7 km from the Riverside industrial area and bordered by well-developed infrastructure in the Lennoxton residential area (former Indian area). Generally the Lennoxton areas was built closer to the mine which closed down decades ago. Therefore, the prominence of undevelopable land classified as 'undermined areas' are found on this part of the town and nowhere else within the municipal area. Although green spaces are encouraged on these undermined areas.

The ground breaking concept which the municipality has been able to achieve through recent endeavors, is to establish and locate the new settlements closer to businesses. Often times, the phenomenon of building settlements closer to existing business opportunities becomes an academic exercise, but in Newcastle this concept was tested through development of Siyahlala la and the likes.

Construction in this township has commenced and for the first time since invading the land, the residents are now enjoying benefits of living in the formalised urban area. The community will receive title deeds and gain the dignity of owning property in South Africa. They will also be able to advance their livelihoods and potentially pursue start up businesses wherein their houses are used as collateral for loans.

It does not end there for these residents, but planning, human settlements, urban renewal and technical services departments are working towards improving connectivity and integration between areas. The extension of the Albert Wessels Drive is key to successfully creating a link and integration between Siyahlala la and the industrial area. It will minimize the travelling time to the industrial area by approximately 10 minutes and associated costs of public transport. Development of this road will further open up the opportunities of developing the Equarand area, North of Siyahlala la.
Clearly the municipality is accelerating its ability to transform the Newcastle Municipality to a smart city and the urban linkages between different parts of the towns are evident of this spatial transformation. These linkages enhance the interdependency existent in the space economy.

Movement and transport feature as an enabling element to foster linkages with the region. Hard infrastructure such as roads and the means of movement be it road, rail or foot movement are centre to the extent of mobility of the municipal inhabitants. Efficiency becomes a relevant aspect of movement which needs to be considered in the spatial framework for Newcastle in an attempt to integrate the municipal and regional space.

3.11.12. Spatial Sustainability.

On the other hand, the spatial sustainability implies to a sense of balance, between the key activities found on land. A continued balance between economic development, social development and environmental development should be sought in all development actions. The following becomes critical to the sustainable agenda:

1. Plan service standards in line with **economic and environmental affordability**.
2. **Conservation and maintenance** of infrastructure and resources are better than replacement.
3. **Fragmented spatial structure causes sprawl** and should be countered.
4. Planning should promote the **sustainable use of resources**, rather that exclusion of use.
5. Improved **land management measures** to control potential conflicts are required.

One of the weaknesses the municipality is currently battling with, is the establishment of the environmental departments to supervise and pursue the environmental agenda 21. The dramatic changes on the weather patterns puts emphasis on the governments to intensify its fiscal allocation to protect life, habitats and infrastructure. Thus far the relationship between the municipality and the Economic Development, Tourism and Environmental Affairs have matured due to appreciation of one's weaknesses and that better more can be achieved.

3.11.13. Transportation and Movements in and around Newcastle.

a) Local Access and Movement.

With regards to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni. Secondly, a strong movement exists between the western and the eastern region along the MR483. Thirdly, a movement pattern exists is found between the Newcastle CBD on to other smaller settlements, such as Memel to the West and Ingogo, Charlestown and Volksrust to the North. These movements are strengthened by the roads the municipality and department of transport has invested in.

b) Regional Access and Movement.

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-South linkages are facilitated by the N11 and East-West linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a North-South direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route as a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This

includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors include the R34 which runs East from Newcastle to Utrecht and beyond to Vryheid and Richards Bay, and West to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

3.11.14. Public Infrastructure Investment.

This is one area which the municipality is still battling to advance at an accelerated pace. It is not the only problem for the municipality but the government in general . However, funding such as the Municipal Infrastructure Grants (MIG) and Neighbourhood Development Programmes (NDP) have brought the much needed relief to municipalities. The capital infrastructure progremme appednded to this IDP sheds more detail on this.

The greastest consentration of the infrastructure expenditure has been in the eastern region, where basic services have been an aspiration and private investment remained a pipe dream. However, the investment being pumped in the JBC block will make the area to function better especially if complemented with its economic hubs integrating both commercialization and industrialization. This area has an added advantage in that the Theku mall is in existence and will likely attract other types of commercial activities within the node. Its location is prime and enjoys better linkages with the immediate area. Intertwined with this concept is the necessity to bring industries closer to territories of labour force to avert high proportions of expenditure on transportation.

3.11.15. Impact of Urbanization.

The paradigm of planning is quite interesting that where formal townships have been established efforts to intensify and density development becomes an essential agenda. Whilst on the other hand the organic rural areas which seemed like symbolism of cultural identity and ethnicity are now under natural transformation. There is new proliferation of estate like mansions emerging supported by the green infrastructure, such as boreholes, sonar systems and slugging sewer systems. In brief areas such as Disks, Manzana, etc located on the periphery of the peri-urban areas are gradually becoming urbanized. Invariably this requires the municipality to formalise and upgrade the services around the area. Below is the diagram reflecting the area (enclosed with blue line) which is highly becoming urbanized and where sizable public expenditure is required to support the urban demands.

Then the question becomes do these owners of the new estates/ mansions want these services given that, they already enjoy water through boreholes, electricity for lighting

and heating through the sonar system and lastly the sanitation through the dislodging process. The only municipal service they are not accustomed to namely the tarred roads and collection of refuse. And that precisely, makes them not to be liable for municipal rates and other related taxes. So it has a knock-on effect on the municipal system, as it means it's a potential loos on revenue. As can be seen above, the proliferation of the new mansions which along P483 development corridor.

3.11.16. Rural Region.

Newcastle's Rural Region covers mostly areas that falls outside the urban edge such as Normandien, Botha's Pass, Ingogo and Bosworth, etc. Furthermore, there are settlements on the periphery of the urban edge which are considered to be rural, these include the areas of Dicks, Mndozo, Drycut and Soul City. The level of services in these areas are minimal compared to most of the areas within the urban edge. The term 'rural' is ambiguous and used in a multiplicity of ways, implying that the concept is not easy to define.

Typically, the current urban form within the municipal area comprises of a range of settlements from a highly urbanised, the JBC block currently undergoing urbanisation, the organic to the most rural settlements in the JBC to extensive commercial farmlands with small isolated farm-dweller settlements. The JBC block in its current state is a transitional area from being organically rural to peri-urban.

Here it should be emphasised that past-apartheid policies had a profound impact on the structure and functionality of Newcastle Municipality. Its fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The remainder of Rural Newcastle is largely dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by land reform, particularly land restitution and labour tenant programs that may lead to the creation of new settlements and erosion of agricultural land. However, there are a few established settlements on commercial farmlands already. These include smaller rural settlements such as Ingogo. Other rural settlements are located within Ubuhlebonzinyathi Traditional Authority area and include settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of Osizweni.

The Rural Development Strategy seeks to achieve an equitable socio-economic enabling environment for sustainable development of rural communities. This vision shall be achieved by increasing access to services through the provision of physical infrastructure and social services. The RSDR has a diverse land ownership composition with the majority of land being privately owned.

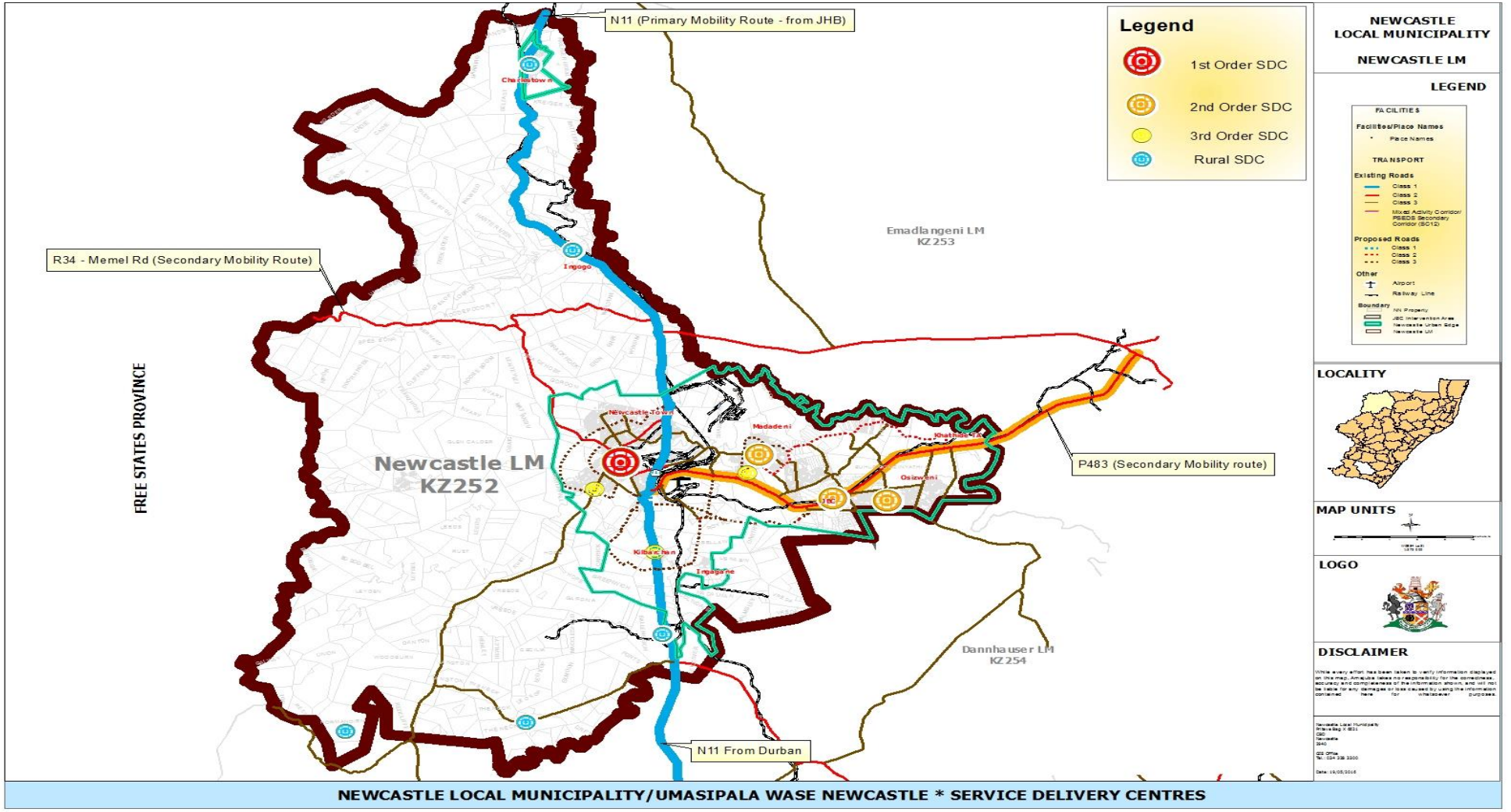
The rural region is also receiving great attention from the municipality although not at the same scale as with the rest of the urban and peri-urban areas. The municipality is rolling out projects such as pit la trine toilet and has identified others such as sonar gysers as part f the green energy drive.

3.11.17. Land-use Management Objectives.

At this juncture we have constructed spatial analysis of the municipality which then stimulates the discussion about how concritisation and translation of the objectives illistrated at the beginning of this chapter to actvities implementable on a day-to-day basis. Such can only be achieved through Land Use Management which deals with fine granes of implementating Council's vision. Therefore, Land Use Management through the existing Planning Scheme developed during the phase of PDA and completed in terms of Spluma ought to purpote the following:-

NORMATIVE PRINCIPLES	PROCEDURAL PRINCIPLES
• Environmental and economic sustainability • Equality and equity • Efficiency • Integrated development • Harmony in terms of land use relationships • Quality environments • Certainty	• Fair and good governance • Cooperative governance • Participation • Strategic links • Capacity building • Use of local and indigenous knowledge • Access to information

It is expected that the SDF will be rationalised through the implementation of these guidelines.



Map 2: Newcastle Municipality Movement and SDC Hierarchy (Source: NLM Final SDF 2016/17).

3.11.18. Newcastle Integrated Traffic and Transportation. Planning.

The development of Newcastle has necessitated the evaluation of the road and transportation network in terms of its ability to cater for the demand (present and future). The NLM ITTP entails a 10 year evaluation (2015 – 2025) of the impact of future developments on the existing road network with the aim being to have a better understanding of the road network and the identification of gaps that may occur.

❖ **Analysis of the existing road network.**

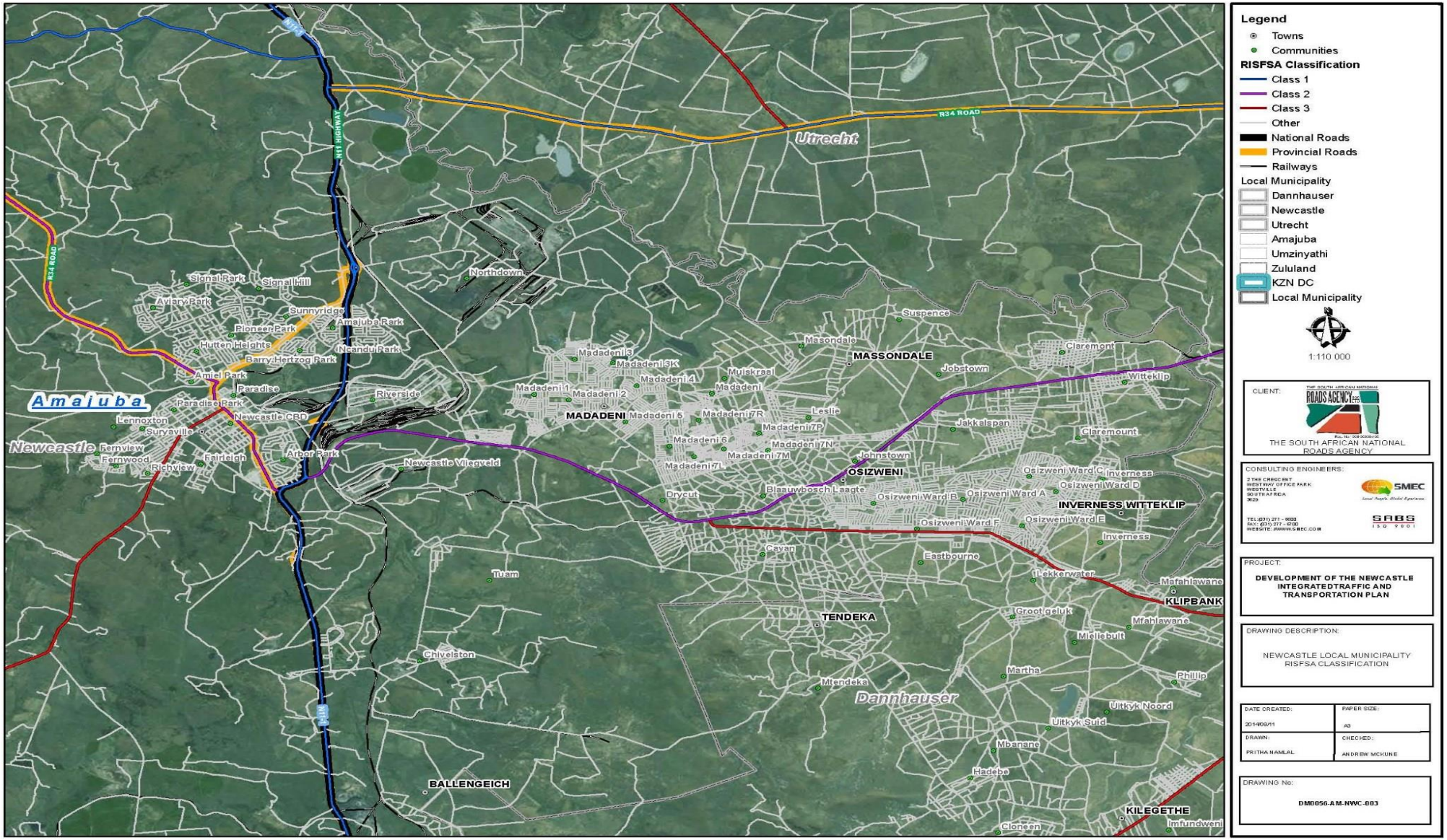
Upon a detailed analysis of the existing road network throught the use of secondary data obtained from the KZN DOT – Provincial Road Network, it was deduced that the existing road network can be broken down into the following categories:-

- **CLASS 1: N11 –** The main trunk road that passes through the Newcastle study area and provides linkages between major city centres including Durban and Johannesburg. The exisitng road is characterised with high traffic volumes which is made up of a high percentage of heavy vehicles.
- **CLASS 2: P483 –** The main road is currently predominantly used as a public transport route from the MBO complex to the Newcastle CBD. The existing road is under immense pressure and it is envisaged that, if development in Newcastle continues at the current rate, it will not be able to accommodate any addition of vehicles in the future.
- **CLASS 3: R34, Steildrif 21, Scott Street/Boundary Street –** R34 is an existing road that provides linkages to areas such as Memel and Standerton. Access to this route is gained via the Necastle CBD, which usually results in traffic congestions during the peak season hence delayed travel times. Scott Street/Boundary Street is an existing road that partially runs through a residential area south of the Newcastle CBD. The road provides linkages to areas such as Cecelia and Normandien.

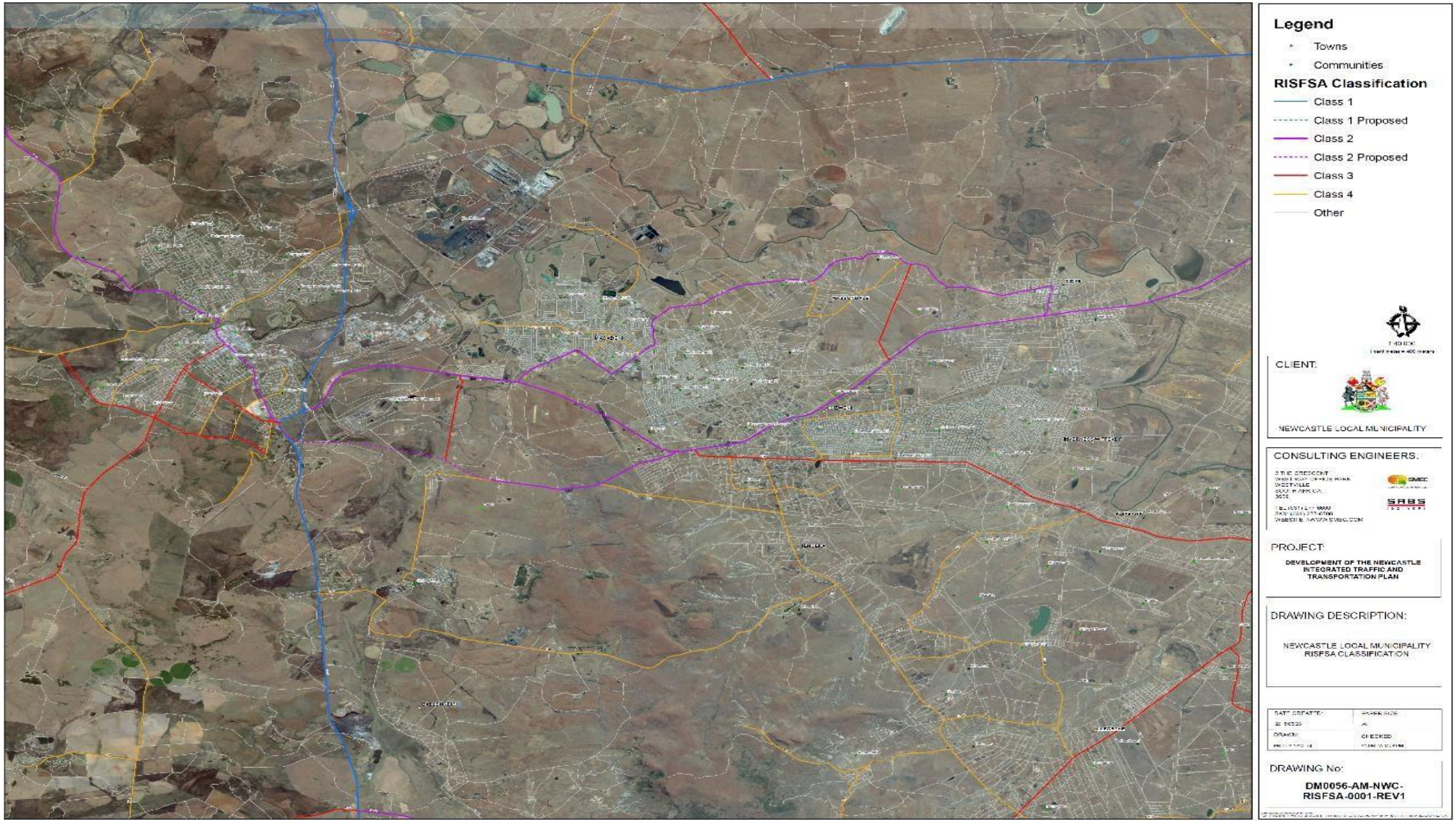
From the evaluation it surfaced that the existing road classification of Newcastle does not provide sufficient hihg class roads necessary for accomodating high volumes of public transportation and privately onwed vehicles. This hinders future growth of the area as it impacts negatively regarding the ability to unlock land for future development. There is a need for a new road classification that takes into cognisance the hinderance of urban sprawl. Furthermore, from the evaluation it also surfaced that there are planned development initiatives in Newcastle, particularly around the MBO complex. Therefore these developments form the baseline for forecasting the transportation demand within Newcastle. The challenges related to the development of an integrated land and transportation network may be attributed to poor apartheid planning. The following table entails the road network proposals and ammendments:-

EXISTING ROAD NETWORK	NETWORK PROPOSALS AND AMMENDMENTS	PROPOSED ROAD CLASSIFICATION
–	N11 Realignment	CLASS 1
–	Ladysmith Drive	–
–	Main Road (P483)	CLASS 2
–	Proposed Secondary Activity Spine	CLASS 2
–	Proposed Road East of Airport Industrial	CLASS 3
–	Link Road	–
Link Road East	–	CLASS 2
Link Road West	–	CLASS 3
Steildrief 21	–	CLASS 3
–	Proposed Road 3	CLASS 3
–	Proposed Road Development in Fairleigh, Fernwood and Paradise	–
–	Madadeni CBD	–
–	Northern Activity Spine	CLASS 2
–	Jobstown Road Development	CLASS 3
–	Madadeni Ring Road	CLASS 3
–	Northern, JBC and Osizweni Proposed Roads	CLASS 3

The ammendment and proposed introduction of new routes works hand in hand with the upgrading of the aforementioned intersection points. Therefore it is recemmonded that all ammendments and proposals be implemented within the 10 year time line as failure to do so may hinder growth of the municipality. It should also be noted that the implementation through construction of the Proposed Secondary Activity Spine and Northern Activity Spine is of vital importance to the proposed road network and it it thus recommended that these be prioritised as they have the potential to be alternative routes for public transportation hence unlocking land for development and easing traffic congestion between the two commercial hubs, MBO complex and Newcastle CBD.



Map 1: NLM Existing Road Network Classification.



Map 2: NLM Proposed Road Network Classification.

Low and high density residential development, urban sprawl, commercial ribbon developments and some major developments in the form of shopping centres have taken place within NLM. However, this growth comes with a number of developmental challenges such as capacity problems at intersections, capacity problems on major roads, and public transport challenges. It is also worth noting that there are plans to introduce a fast train service between Johannesburg and Durban. The route is to pass through Newcastle and will thus have implications on transportation facilities requirements and/or infrastructure. Furthermore, according to the New Growth Path, NLM is earmarked for an inland dry port which is identified as a Strategic Infrastructure Project (SIP2). Therefore, there is a need to ensure that NLM's movement network enhances the spatial configuration for the present and future development areas. The transportation systems must function efficiently for the envisaged development of Newcastle to be achieved.

Table 11: Vision, Strategy and Objective of the NLM ITTP.

	OBJECTIVE	KEY STRATEGY
Planning	To develop and implement roads infrastructure plan	Plan, develop and manage a sustainable and cost effective road infrastructure plan
		Development of financial plan for expenditures and funding
	Development of a Road asset management plan	Development and managing of a sustainable road asset management plan
		Development of a financial budget for cost effective implementation
		Data collection surveys to assist implementation of plan
		Development of accurate service standards
Operation and maintenance	To ensure the provision and maintenance of safe roads	Maintain existing road surfaces Maintain street pavements
		Repair dangerous potholes
		Repaint road signs
		Development of financial budget
Service and infrastructure	Development of roads with in the MBO complex	Surface gravel roads and develop sidewalks within the MBO complex
	Development of PT facilities and PT stops and shelters	Development of new facilities as well as existing informal facilities
		Refurbishment of existing facilities
		Development of PT laybys within the MBO complex, this includes shelter and seating
	Ensure pedestrian safety	Development of safe sidewalks, pedestrian crossings, street lights and signage
		Develop and implement surveys for October road safety month

The following entails network proposals and amendments that have been reviewed:-

- N11 Re-alignment;
- Ladysmith Drive;
- Proposed intersection of Main Road P483 and Secondary Activity Spine;
- Karbochem Road and Proposed Secondary Activity Spine;
- Karbochem South Access;
- Proposed Road East of Airport Industrial;
- Link Road;
- Proposed Road Development in Fairleigh, Fernwood and Paradise;
- Madadeni CBD;
- Northern Activity Spine;
- Jobstown Road Development;
- Hans Coetzee Road;
- Madadeni Ring Road; and
- Madadeni, JBC and Osizweni Proposed Roads.

The proposed road classification will need to provide optimal functionality for a long period of time.
The proposed road classification has been analysed for implementation within a 10 year period. However it should be noted that the propsed road classification will have positive long term effects on the Newcastle Municipality. An exact timeline will be largely dependent on developments that have taken place within the study area. The implementation and construction of the Proposed Secondary Activity Spine and Northern Activity Spine are the most vital parts of the proposed network hierarchy as they provide alternative transport routes, unlocking land and calming traffic between the two major hubs namely the MBO complex and Newcastle CBD.

The existing road network does not allow for future growth of the Newcastle Municipality. This is due to the lack of transportation routes that are available hindering travel to areas which can be unlocked for future economic growth. Newcastle Municipality is earmarked for an inland dry port, this will bring about a change within the municipality catapulting it is as a leading industrial area within South Africa. However the viability of this is widely dependant on transportation as it will be one of the major driving forces in achieving this status. A lack of implementation and construction will limit and hinder the growth of the municipality until such time that the viability of the entire proposed road network hierarchy is compromised.

It should be noted that before proposed plans are considered, all parties involved will need to be consulted. These include the national bodies i.e. SANRAL, provincial and local bodies, the transportation authority, town planning and finance.

3.11.19. Settlement Pattern.

The settlement pattern in NLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through to peri-urban settlements in the JBC and extensive commercial farmlands with small isolated farm-dweller settlements.

The urban component of the NLM comprises of three distinct sections, namely:-

- Newcastle West;
- A central Industrial Area; and
- Madadeni and Osizweni to the East.

An urban edge has been determined around this entire complex and it is proposed that all future urban development takes place within these confines thus to integrate, density and diversify it as well as to limit the loss of high yield agricultural land.

3.11.20. Newcastle West.

The CBD is located in Newcastle West on the Southern side of the confluence of the Ncandu and Jordan Rivers. Newcastle West is predominantly residential with the Northern section being the most affluent. Ribbon development runs South-Eastwards from the CBD along the R34 and includes a new shopping centre, restaurants, garage and car showroom, hotels and lodges, amongst other things. The Northern portion of Newcastle West also accommodates the show-grounds, Monte Vista Casino and Conference Centre, a golf course and a technical college.

Immediately South of the CBD are the original residential areas of the town also laid out in the same gridiron-street pattern and home to the Newcastle Private Hospital and Newcastle Provincial Hospital. The police station and a number of home offices which have spread outwards from the CBD are also found South of the CBD. South-West of the CBD are further residential suburbs.
Newcastle CBD is currently going through a process of spatial transformation. This involves three main processes, namely:-

- Decentralisation of commercial and office space;
- Redevelopment; and
- Expansion of the town area.

Decentralisation of commercial and office space occurs in the form of nodular development at both Eastern and Western entrances/gateways into Newcastle CBD. Newcastle West development includes a number of service industries, a community

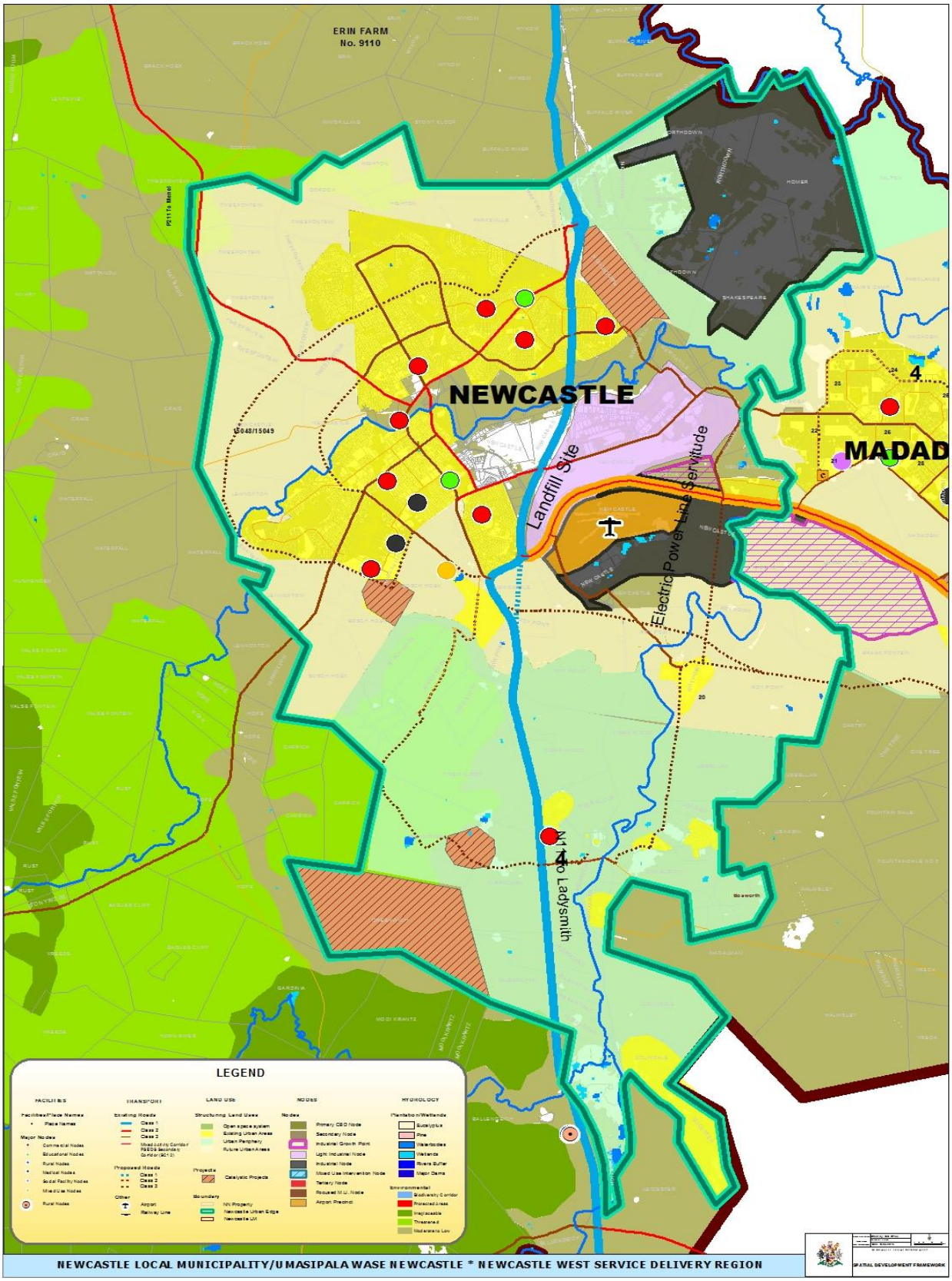
commercial centre, hotels and a number of associated developments. The area is earmarked for further commercial development.

Rights were granted for the development of a regional shopping centre next to the new Casino and the Newcastle Mall has since taken root and is in operation. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in the near future include motor-showrooms, restaurants, etc. Redevelopment on the other hand, involves the refurbishment of buildings vacant or under-utilised, because of economic downturn and relocation of offices to the new office node. This process also includes the transformation of office use, particularly professional offices, into residential areas that are adjacent to the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Newcastle Municipality has accordingly developed strategic responses to these trends. These include the Newcastle West Precinct Plan, the CBD Development Plan and the Newcastle South Spatial Development Plan (SDP). The latter provides for a range of residential land uses, including mixed land use and commercial nodes. The net effect of these plans is the extension of the town's built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in Northern KwaZulu-Natal, Newcastle is likely to remain a regional service centre unchallenged by other nearby towns in the foreseeable future. Its market threshold is relatively secure, but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

3.11.21. Central Industrial Area.

East of the CBD lies large industrial areas, the N11 and Iscor facility, as well as an airfield and landfill site. It is also the location of Amcor Dam and Recreational facility. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is developed. While the area accounts for a significant amount of employment opportunities in the NLM, it historically developed as a buffer strip between the former white only areas in the Newcastle West and the former black only townships of Madadeni and Osizweni.



Map 3: Newcastle Municipality Western Service Delivery Region (Source: NLM Final SDF 2016/17).

The Western Service Delivery Region (WSDR) covers the areas of Newcastle West within the Urban Edge, these would be the Newcastle Central Business District (CBD),

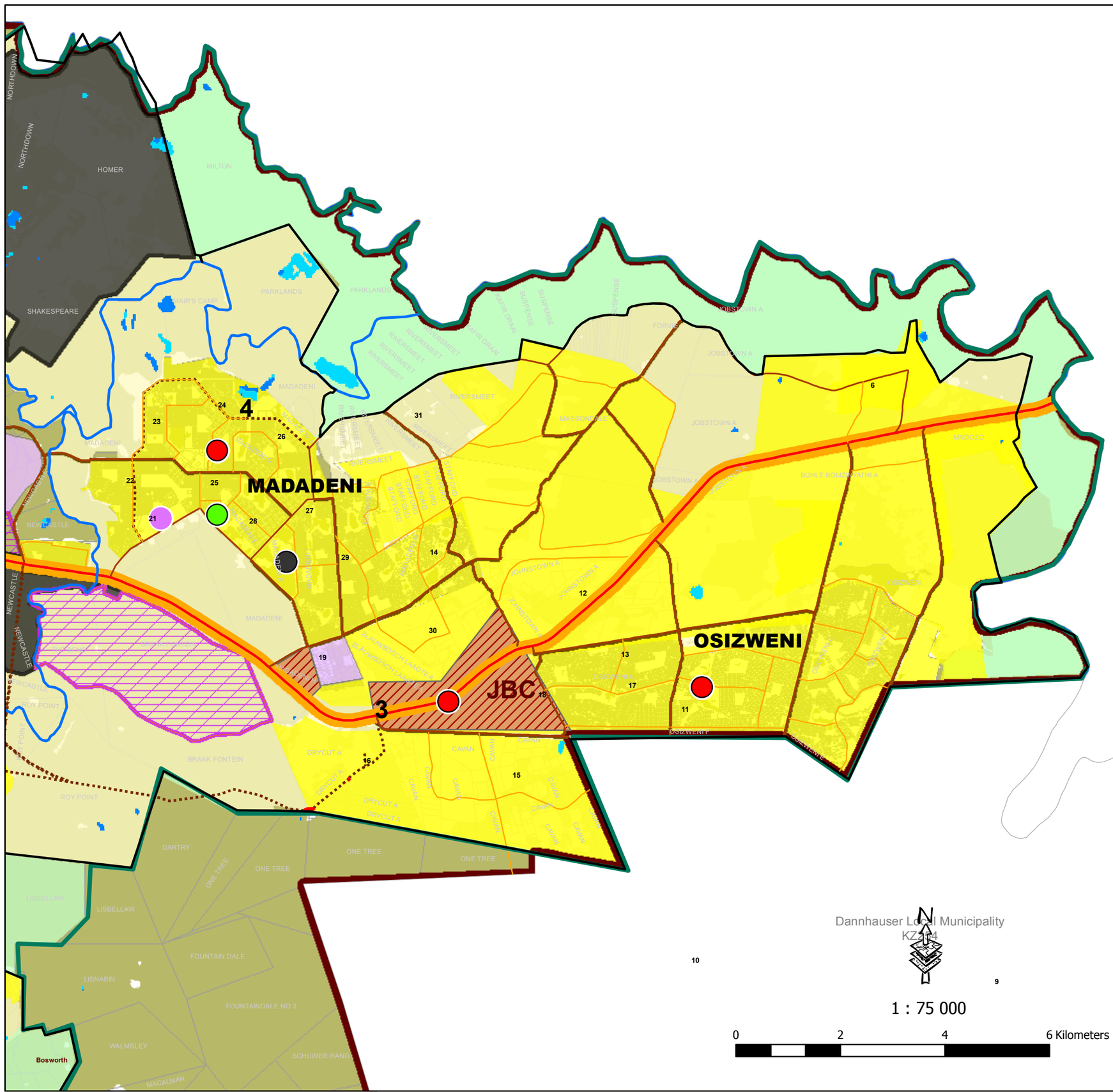
the Newcastle West suburbs and the airport industrial area. These areas are covered under the Newcastle scheme. The zooming into the WSDR will give more detailed land use guidelines and highlight priority investment and development areas and will also act as a guide to decision-makers and investors. A number of intervention areas for the WSDR have been identified where the intention is that the entire Service Delivery Region be covered in the long term by the municipal hierarchy of plans. Intervention areas for the WSDR include:-

- Newcastle West Intervention Area;
- Newcastle South Intervention Area;
- Newcastle Industrial Intervention Area; and
- KIB Intervention Area.

3.11.22. MBO Complex.

MBO is located along P483 and comprises of the townships of Madadeni and Osizweni, and the JBC area. Madadeni and Osizweni were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime. It gave rise to a compact linear urban form with a rectilinear road network based on 3 to 4 km grid spacing of major arterials. The JBC area, which joins the Madadeni and Osizweni areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of “shack farming” thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The MBO complex is characterised by a poor condition of services and a general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on the Newcastle city centre. Urban renewal programmes being initiated in the MBO complex will result in the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.



LEGEND

Major Nodes
- Rural Nodes
- Educational Nodes
- Medical Nodes
- Commercial Nodes
- Neighbourhood Node
- Regional Social Facility Nodes
- Mixed Use Nodes

Existing Roads
- Class 1
- Class 2
- Class 3
- Mixed Activity Corridor/ PSEDS Secondary Corridor (SC12)

Proposed Roads
- Class 1
- Class 2
- Class 3

Other
- Airport
- Railway Line

LAND USE

Structuring Land Uses
- Open space system
- Existing Urban Areas
- Urban Periphery
- Future Urban Areas

Projects
- Catalystic Projects

Boundary
- Newcastle Urban Edge
- Development Boundary

NODES

Key Nodes
- Primary CBD Node
- Secondary Node
- Industrial Growth Point
- Light Industrial Node
- Industrial Node
- Mixed Use Intervention Node
- Tertiary Node
- Focused M.U. Node
- Airport Precinct

HYDROLOGY

Wetlands
- Waterbodies
- Wetlands
- Rivers Buffer
- Major Dams

Environment
- Biodiversity Corridor
- Protected Areas

Agriculture
- Irreplaceable
- Threatened
- Moderate to Low

MPUMALANGA

MPUMALANGA

MPUMALANGA

FREE STATES PROVINCE

FREE STATE

Charlestown

Ingogo

Newcastle Town

Madadeni

Khathide TA

Osizweni

JBC

Kilbarchan

Ingagane

Newcastle LM
KZ252

Utrecht Local Mu
KZ253

Dannhauser Local Municipality
KZ254

End

1 : 273 000

0 3 6 9 12 15 18 Kilometers

LEGEND

Other
- Minerals

Transport
- Airport
- Railway Line

Existing Roads
- Class 1
- Class 2
- Class 3

Proposed Roads
- Class 1
- Class 2
- Class 3

LAND USE

Structuring Land Uses
- Open space system
- Existing Urban Areas
- Urban Periphery
- Future Urban Areas

Agriculture Land use
- Irreplaceable
- Threatened
- Moderate to Low
- Primary Agriculture
- Secondary Agriculture
- Mixed Land Use

Boundary
- Newcastle Urban Edge
- Development Boundary

HYDROLOGY

Wetlands
- Waterbodies
- Wetlands
- Rivers Buffer
- Major Dams

Environment
- Biodiversity Corridor
- Protected Areas

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * LAND USE PATTERN

MAY 2017

3.11.23. Rural Settlements.

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by the land reform program, particularly the land restitution and labour tenancy program that may lead to the creation of new settlements and erosion of agricultural land.

However, there are few established settlements on commercial farmlands. These settlements include smaller rural settlements such as Charlestown and Ingogo. Charlestown provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Lennoxton. Ingogo, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node, as is Leokop.

Other rural settlements are located within the Ubuhlebonzinyathi Community Authority area and include the settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of the NLM.

WARD 1	WARD 6	WARD 7
Botha's Pass. Brinkshoop. Charlestown. Ngogo. Majuba Forest. Normandien. Wykom.	Claremont. Jakkalspan. Jobstown. Masondale.	Manzana. Mndozo.
WARD 12	**WARD 15**	**WARD 16**
Jonhstown, divided into various sections:- Johnstown-Bhareni. Johnstown-Dindela. Johnstown-Leslie. Johnstwon-Phesheya kodonga.	Blaauwboschelaagte. Cavan. Mahalbhomi.	Blaauwboschlaagte. Dry Cut.
WARD 18	**WARD 31**	
Blaauwboschlaagte.	Riversmeet. Suspense. Soul City.	

MPUMALANGA

MPUMALANGA

FREE STATE

NEWCASTLE

MADADENI

OSIZWENI

Utrecht Local Municipality
KZ253

Dannhauser Local Municipality
KZ254

Endumeni Local
KZ24

N

1 : 273 000

0 3 6 9 12 15 18 Kilometers

LEGEND

Major Nodes
- Rural Nodes

Other (Transport)
- Airport
- Railway Line

Existing Roads
- Class 1
- Class 2
- Class 3
- Mixed Activity Corridor/ PSEDS Secondary Corridor (SC12)

Proposed Roads
- Class 1
- Class 2
- Class 3

LAND USE

Structuring Land Uses
- Open space system
- Existing Urban Areas
- Urban Periphery
- Future Urban Areas

Projects
- Catalystic Projects

Boundary
- Newcastle Urban Edge
- Development Boundary

NODES

Key Nodes
- Primary CBD Node
- Secondary Node
- Industrial Growth Point
- Light Industrial Node
- Industrial Node

HYDROLOGY

Wetlands
- Waterbodies
- Wetlands
- Rivers Buffer
- Major Dams

Environment
- Biodiversity Corridor
- Protected Areas

Agriculture
- Irreplaceable
- Threatened
- Moderate to Low

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * RURAL SERVICE DELIVERY REGIONS

MAY 2017

3.11.24. Former Mining Areas.

A number of settlements are also located in the south-eastern portion of NLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a mining belt that runs from the centre of the municipal area towards the south east. The mines have stimulated the development of numerous smaller settlements, such as Kilbarchan, Ingagane and Ballengeich. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements. The settlement pattern can mainly be ascribed to the mining activities and the Ingagane power station in the area, which caused discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

3.11.25. Impact of Post-Apartheid Spatial Planning.

Past apartheid policies had a profound impact on the structure and functionality of the Newcastle Municipality. The policies fragmented communities, marginalised their economic activities and undermined their participation in the economy. They located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Newcastle-West and the former dormitory suburbs of Madadeni and Osizweni. These two areas are situated at least between 15km and 35km from Newcastle central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Newcastle in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

3.11.26. Land Use Management.

In terms of the Municipal Systems Act (Act No. 32 of 2000), a Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet. In response, Newcastle municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Newcastle Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme. However, this document has not been implemented as due process is being followed to amend the Newcastle Town Planning Scheme as provided for in the KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008). The Newcastle municipality has taken an incremental approach toward the implementation of the town-planning scheme in all areas, except the agricultural land. At present, Newcastle town is the only area that is covered by a Town Planning Scheme within the municipality.

3.11.27. Spatial Trends and patterns.

The urban part of Newcastle Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Newcastle was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Madadeni, Osizweni and JBC area located approximately 20 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:-

- Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.1975.
- Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.
- Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.
- Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

3.11.28. Land Reform Programme and Rural Development.

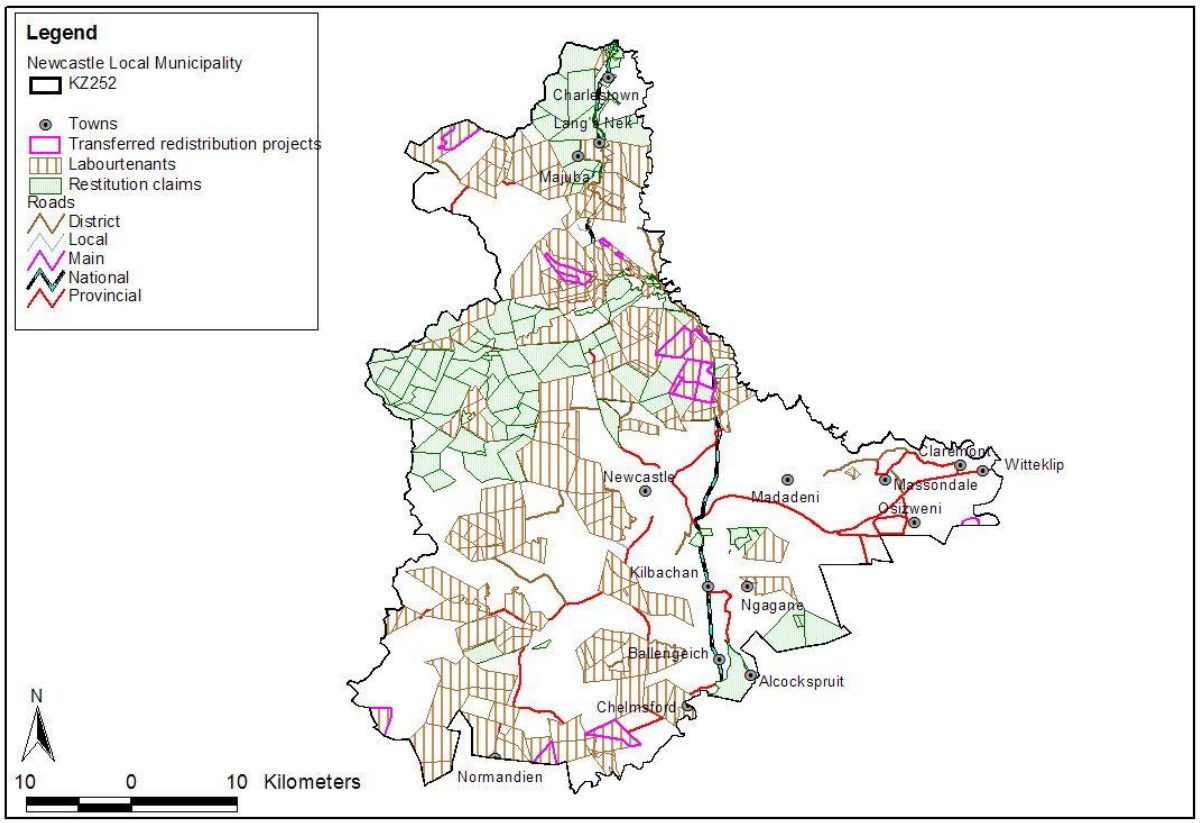
The Newcastle Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and Land Reform, in association with Amajuba District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

a) Status of Land Reform Programme.

According to the Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:-

- ***Land Redistribution (LRAD)***: There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).
- ***Land Restitution***: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.
- ***Tenure Security (Labour Tenants)***: There are tenure security claims on 99 farms, making up a total area of 973ha.

Map 6: Land Reform Projects.



The Amajuba District Municipality Area Based Plan further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map (figure 5) above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

b) Land Tenure Upgrading.

The need for land tenure upgrading in the NLM affects four types of communities, namely:-

- People who hold Deeds of Grant to land;
- People who require their title deeds to be adjusted;
- Tenants in the JBC area; and
- Farm dwellers.

❖ Madadeni and Osizweni Townships.

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme involving areas where people held their properties through Deeds of Grant (e.g. Madadeni and Osizweni Townships) has virtually been completed.

❖ JBC and Charlestown.

Similarly, substantial progress has been made with the title adjustment process involving land owners in the JBC and Charlestown areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the Urban Renewal Programme to deal with the land issues in the JBC and Charlestown areas. This includes people who occupy the area as tenants whose land tenure remains insecure.

❖ Ubuhlebomzinyathi.

Communities occupying the area that falls under the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim Protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the NLM.

❖ AmaHlubi Settlement.

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of the Osizweni Township and the JBC area.

❖ Labour Tenant Claims.

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

❖ Land Restitution.

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and ranges with complexities. Charlestown, which involves dairy farming, timber plantations, crop production and livestock farming, has been resolved successfully with the community obtaining access to more than 10 000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

❖ Impact of the land Reform programme.

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:-

- **The loss of productive agricultural land to residential development**, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities.
- **Land reform resulting on the loss of productive agricultural land**. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security."
- **Provision of adequate water supplies**. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threats includes climate change, invasive alien plants and pollution.

3.11.29. SWOT Analysis (Spatial Analysis).

STRENGHTS	WEAKNESSES
▪ Newcastle is a city that is resilient and adaptive. ▪ It is organized around mobility and development corridors with a	▪ Higher densities are found close to established nodes.

complete transportation network (road, rail, and air). ▪ It is anchored by its natural resources which make it unique and desirable with good potential agricultural land. ▪ The N11 route bisects the Eastern and Western halves of the municipal urban area. The road is also used as an alternative route from Durban to Gauteng. ▪ It is the anchor city within the Northern Natal region and 2nd order node in KZN. ▪ It is located on the boundaries of Free State and Mpumalanga provinces which allow for capital to be spent in Newcastle Municipal area.	▪ Urban sprawl leads to Infrastructure backlogs and new informal settlements mushrooming. ▪ A fragmented spatial structure with limited future spatial growth options which lead to shortage of residential land. ▪ Industrial sector stagnated with very few new industrial developments. ▪ Poor management of open spaces and large tracks of undermined areas that cannot be utilized within the built-up areas. ▪ Poor accessibility due to mobility function of corridors being compromised and undefined, road network towards MBO areas as well, while the railway lines and airport has been underutilized.
OPPORTUNITIES	**THREATS**
▪ Clustering of social and community facilities around development nodes and corridors including Service Delivery Centres which in turn contribute to land use and transportation integration. ▪ Tourism is growing and drawing tourist investment to the town. ▪ Mining, a growing demand on resources such as coal. ▪ The road infrastructure, railway lines and airport which provide connectivity. ▪ Informal sector can become a long term economic reality while private investment is also on the increase. ▪ Open spaces with densification potential	▪ Private investment patterns remain in nodes of Newcastle west and a general decline in investment. ▪ Natural Environment is experiencing a lack of environmental assessment. ▪ Urbanisation made it difficult to formalize settlements which are time consuming. ▪ Lack of personnel and resources, issue of unregistered planners. ▪ Unplanned Informal Settlements and developments creeping onto natural resources and neighbouring municipalities. ▪ Urban decay in major nodes.

3.11.30. Natural Environment.

a) Terrain.

The terrain of NLM is relatively flat even though the area is characterised by some mountainous terrain running from the North along the Western boundary. Elevation is

the lowest in the Eastern portion of the municipality, with scattered small hills and rolling landscapes in the centre. Elevations above sea level range from 1160.04m above sea level in the flat terrain in the east to 2228.53m above sea level in the mountainous terrain.

The most concentrated urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Newcastle town and MBO complex and the industrial area located in between. The elevated relief towards the West refers to the Drakensburg range and the Amajuba Mountain to the North.

b) Geology.

The subsurface geology has a great influence on the terrain of Newcastle including the soil and vegetation cover which are essential to the conditions of development. It is also the source of minerals that form the characteristics of the area. The geological structure if NLM features four kinds of rock formations which include the following:-

- **Carboniferous age sandstone of the Vryheid Formation –** This is basically the oldest geological formation present in NLM and is mostly prevalent in the Newcastle East Area.
- **Jurrasic Age Dolerite –** The youngest geological formation present in the area and mostly prevalent in the Newcastle West Area.
- Permian age mudstone and sandstone of the Emakwezini Formation – Which occurs more towards the Newcastle West Boundary.
- **Permian/carboniferous age shale of the Volkrust Formation –** Pockets of this formation occurs within the Newcastle West Area and most of the surrounding areas of Charlestown.

Furthermore, the mineral potential of NLM is also closely related to the geological systems of the area. The minerals within the area contribute to the economic value of Newcastle. The Klip River coal field, the most economically important of the KwaZulu-Natal coal fields occurs North-South along the N11 and more towards the Newcastle East Area. In simple terms, Newcastle lies North of the coal fields and there is potential for the exploitation of such coal resources. The following entails the minerals resources that occur in the area:-

- **Torbonite –** Prevalence of this form of coal is found immediately West of Newcastle.
- **Iron Oxide (FeO) –** This is the mostly illegally exploited form of coal and it is concentrated within the MBO area. Due to such, there remains limited potential for attracting investments as there are minimal reserves left.
- **Bauxite (Al) –** Four bauxite deposits occur to the West of N11 and South of the Newcastle CBD. A South African Geological Survey concluded that exploitation was unlikely due to the sites being too widely located hence too expensive to process efficiently.

- **Aggregate –** There is abundance of dolerite and sandstone deposits in the area which thus provides ideal sources of aggregate for construction and other purposes.
- **Sand –** Sand is mostly found along river courses due to the disintegration of the parent rock. Newcastle is endowed with adequate quaternary deposits along streams and river courses (i.e. the Buffalo River and the Ngagane River) and these can be mined to use for building purposes.
- **Brick Clay –** The shales of the Vryheid Formation provide excellent raw material for high quality clay bricks. Such soft rock deposits occur at or near the surface thus making them much easier to mine through open cast methods.

c) Catchments.

Newcastle is located in the catchment of the Ngagane River with Ncandu River being one of the major tributaries. The Ngagane River flows into the Buffalo River which is one of the major rivers in the Thukela Water Management Area (TWMA). The Thukela basin has strategic water importance which thus makes it a significant in terms of water supply.

Five main catchments areas form part of NLM. This includes the larger Buffalo River catchment, which ultimately forms part of the Tugela River system. These include:-

- The Ngagane River where it meets the Ncandu River (Ngagane Catchment);
- The Ncandu River where it meets the Ngagane River (Ncandu Catchment);
- The Ngagane River where it meets the Buffalo River (Additional Ngagane Catchment, which includes the upstream Ncandu and Ngagane River Catchments);
- The Buffalo River at its confluence with the Ngagane River (Buffalo Catchment); and
- The Buffalo River to where it intersects with the Newcastle LM boundary (Additional Buffalo Catchment, which includes the upstream Ngagane and Ncandu River Catchments).

Two significant dams were identified within the study area, namely that of the Chelmsford Dam, also known as the Ntshingwayo Dam, located to the South of Newcastle within the Ngagane River catchment, and the Zaaihoek Dam located to the North-East of Newcastle within the Buffalo River catchment. In addition to this, two significant wetland systems were identified, namely the Wakkerstroom Wetland located just outside Wakkerstroom and the Boshoffsvlei Wetland located to the North-East of Newcastle Town. It should be noted that legislation dictates (as per the National Water Act No. 36 of 1998) that wetland areas are protected and therefore development within 30 metres of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Buffalo River at the South-Eastern boundary of the NLM boundary. The majority of water abstracted (85%) is used for irrigation. The total area registered for irrigation is equal to 55 124ha within the NLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5%.

3.11.31. Water Quality.

a) Sources of Water Contamination.

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred around the town of Newcastle, which is sited across the boundaries of the Buffalo-Ngagane, Buffalo Local Municipality and the Ngagane catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

Noxious industry is primarily situated within the Ngagane Catchment and the Additional Buffalo River Catchment where it intersects with the NLM. The industry comprises of ore beneficiation, power stations, steel manufacturing and chemical manufacturing. Mining is largely inactive in the area and isolated in the Ngagane and Buffalo Local Municipality catchments.

The potential contaminants associated with the non-point source land-use in NLM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Buffalo River. Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:-

- Heavy metals;
- Particulate matter;
- Organic contaminants;
- Soluble salts which translates into low oxygen levels;
- High turbidity;
- Increased levels of tropic sensitivity; and
- Elevated toxicity of water.

Furthermore, the issue of Acid Mine Drainage in the Ballengeigh area deserves the urgent intervention of authorities and a concerted effort involving relevant parties. This is noted as a possible source of both surface and ground water pollution both now and in years to come. The resultant impact is the applicability of water for agricultural,

domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

b) Quality of Water.

The DWA results within NLM indicate good water quality; however the quality of the river water is impacted upon by poorly performing WWTW or urban run-off with total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through fluctuating levels of chemicals such as Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data. However, following discussions with DWA and based on the potential contaminant sources, it is suspected that the impact may be more pronounced should additional variables be analysed especially along reaches of the Ngagane River.

The Ngagane River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 188866 (immediately downstream of Siltech operations). This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of Arcelor Mittal Steel. The sulphate and TDS levels increase again following the confluence with the Ncandu River suggesting an impact, from either the Ncandu River, or a point source on the Ngagane River in this area.

c) Groundwater.

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class1, the more probable sources are:-

- Poor or low rates of recharge;
- Mining activities, particularly coal mining;
- Local industry; and
- Farming activities.

Based on first order harvest potential calculations, groundwater has the potential to service the whole of the NLM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity entail all the existing groundwater resources in relation to the potential yield they may deliver. Geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, and areas of high potential production and zones of potential recharge are also amongst area of particular sensitivity. Groundwater quality is typically moderate to

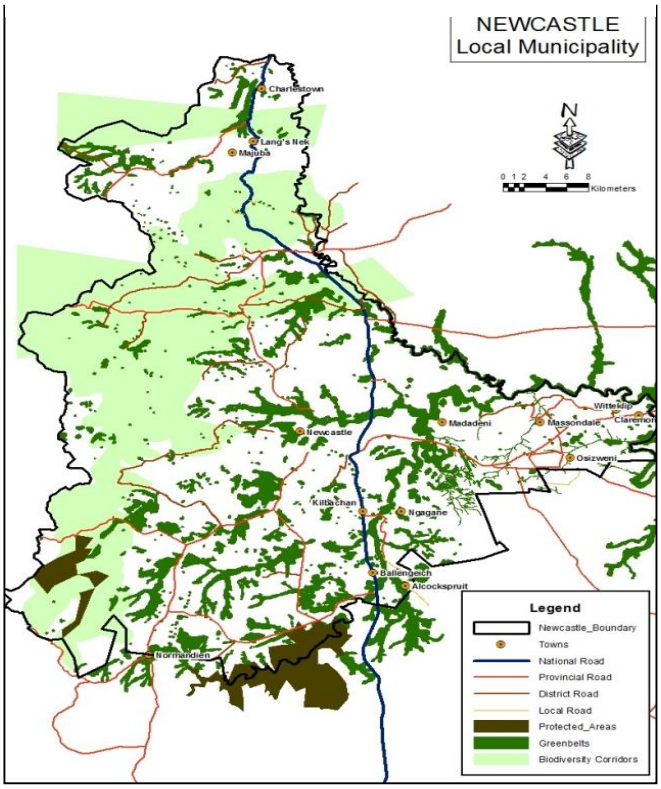
poor, however, treatment may be required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable.

Sources of increased quantities of particular determinants have not been established with any conviction. However, major sources of concern are mining activities, heavy industry, and urban areas which have a high probability of altering pristine groundwater conditions in a significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potentially inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

3.11.32. Biodiversity Assessment.

a) Status of vegetation.

Map 6: Biodiversity Corridor.



Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. With regards to the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

The most apparent typologies of land cover within Newcastle are as follows:-

- **Grassland** – Most of the Western area in Newcastle is covered by grassland thus representing a larger percentage of the area's natural open space.

- **Commercial Agricultures** – Agricultures is the second largest land cover, dominated by dry-land cropping. The concentration of agricultural use patterns is mostly in the South of Newcastle.
- **Settlements** – The third largest land cover in Newcastle is that of the settlements, both urban and rural, and they occur mostly in the West, Central and Eastern parts of Newcastle. These patterns are mostly associated with high levels of landscape fragmentation and degradation thereof.
- **Plantations** – Commercial timber plantations have changed the landscape in the Western parts of the area and in the area around Hilda in the North of Newcastle.
- **Dense Bush** – This is mostly land cover that includes natural bush and invasive plant species.
- **Mining and Quarries** – Such land cover is arranged in a scattered pattern of mining and quarrying activities.

b) Biodiversity Corridors.

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity.

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

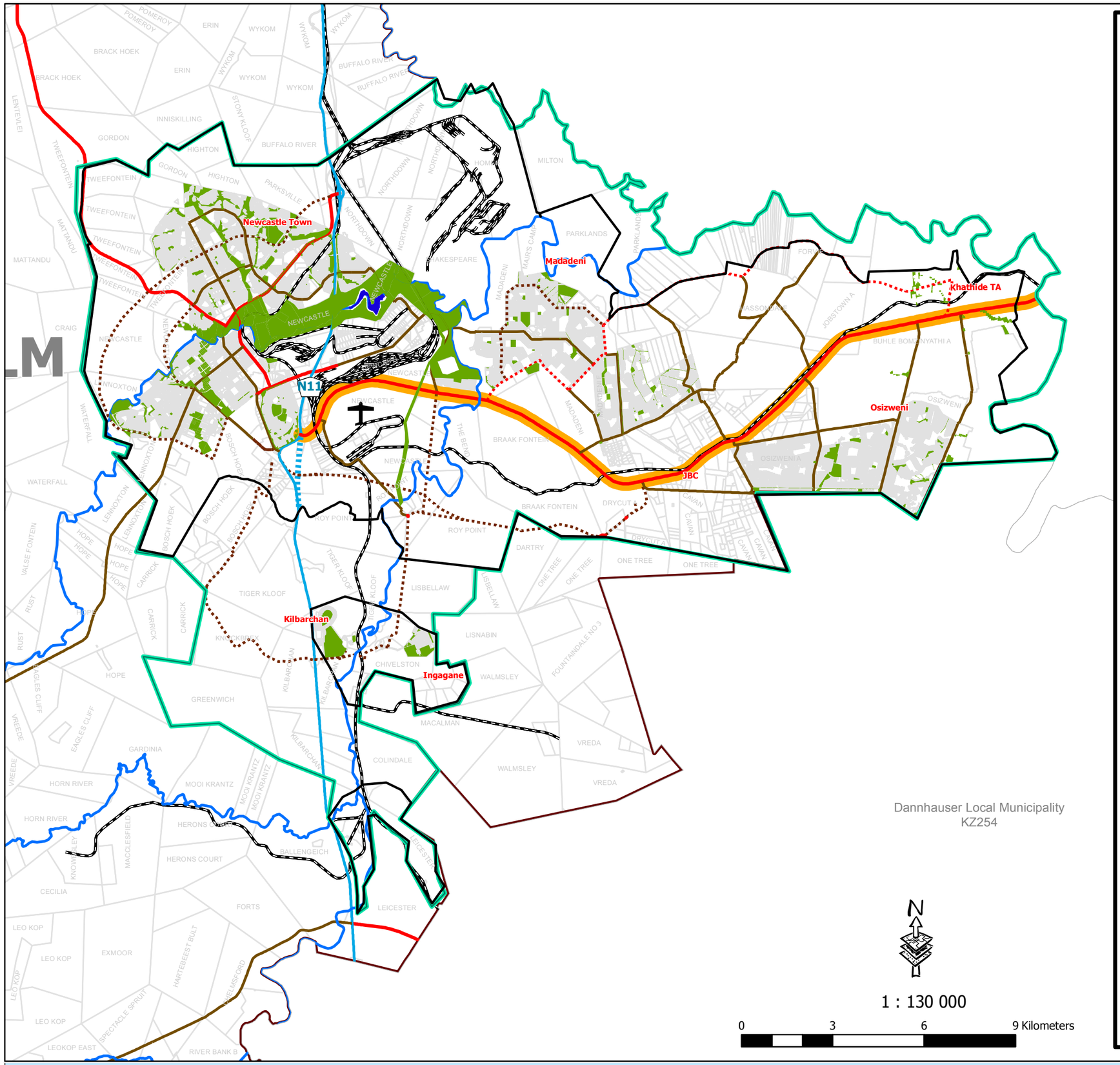
The only North-South axis that represented a viable corridor was along the Western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that East-West orientation of corridors was likely to be more effective, as this would encompass a significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors, altitude ranged from about 2100 metres above sea level in the West to 1500 metres in the East, over a distance of under 15 km.

c) Suitable Land for Agriculture.

The agricultural categories listed below entail the distribution of agricultural land within NLM. Such categories are also a representation of the ability of an area to produce food under the application of recommended practices on a sustainable basis:-

- Category A – Irreplaceable Land: This category of land is regarded as **high to very high potential agricultural land** hence necessitating its conservation strictly for agricultural use in order to ensure national food security. Within KZN in general, this category of land cover is limited which thus means there is a need for the introduction of efforts directly focused on retaining such land for food production. Land in Category A has no or very few limitations to agricultural production and can support intensive arable cropping systems. Such land also contains "unique agricultural land" which is essentially land that may be used for producing specific high-value crops. This type of land is important for agriculture due to a specific combination of factors such as location, climate and/or soil properties that make it highly suited for a specific crop when managed with specific farming or conservation methods. Most of the area West of Newcastle, specifically along the boundary, is endowed with Category A agricultural land.
- Category B – Threatened Land: Category B is regarded as **moderate to high potential agricultural land**. It is also of a scarce nature within the wider KZN hence necessitating its conservation. Land within this category has produce sustainably in the long term with few limitations to agricultural production. Concentration of Category B agricultural land is also mostly West of Newcastle.
- Category C – Primary agricultural land: Such land is regarded as land with **moderate to low agricultural potential**, on which significant interventions will be required to achieve viable and sustainable food production even though agriculture is still the majority land use in the rural landscape. Such land is limited in terms of annual arable land and thus may be used for purposes to support livestock production i.e. grazing land. The conservation of Category C land is of crucial importance in order to ensure the conservation of higher potential agricultural land categories through acting as a buffer. The concentration of Category C land in NLM is found immediately West of Newcastle's urban edge with grazing being the predominant land use.
- Category D – Secondary agricultural land use: This form of land is regarded as land with **low agricultural potential** and it requires severe interventions in order to enable sustainable agricultural production such as terracing, contours, high levels of fertility correction etc. There is minimal amounts of such land within Newcastle and it can be found further South of the Madadeni residential township, and upper North towards Amajuba forest.
- Category E – Mixed land use: Such land is regarded as land with **limited to no potential for agricultural production**. However, such land may be applicable to conservation due to its tourism status depending on its location. Such land in Newcastle is largely concentrated around and/or within the urban edge.



Dannhauser Local Municipality
KZ254

N

1 : 130 000

0 3 6 9 Kilometers

LEGEND

Other
- Airport
- Railway Line

Existing Roads
- Class 1
- Class 2
- Class 3
- Mixed Activity Corridor/ PSEDS Secondary Corridor (SC12)

Proposed Roads
- Class 1
- Class 2
- Class 3

Build Area
- Existing Built-up Areas
- Industrial
- Urban Open Space

Water
- Main Rivers
- Minor Dams

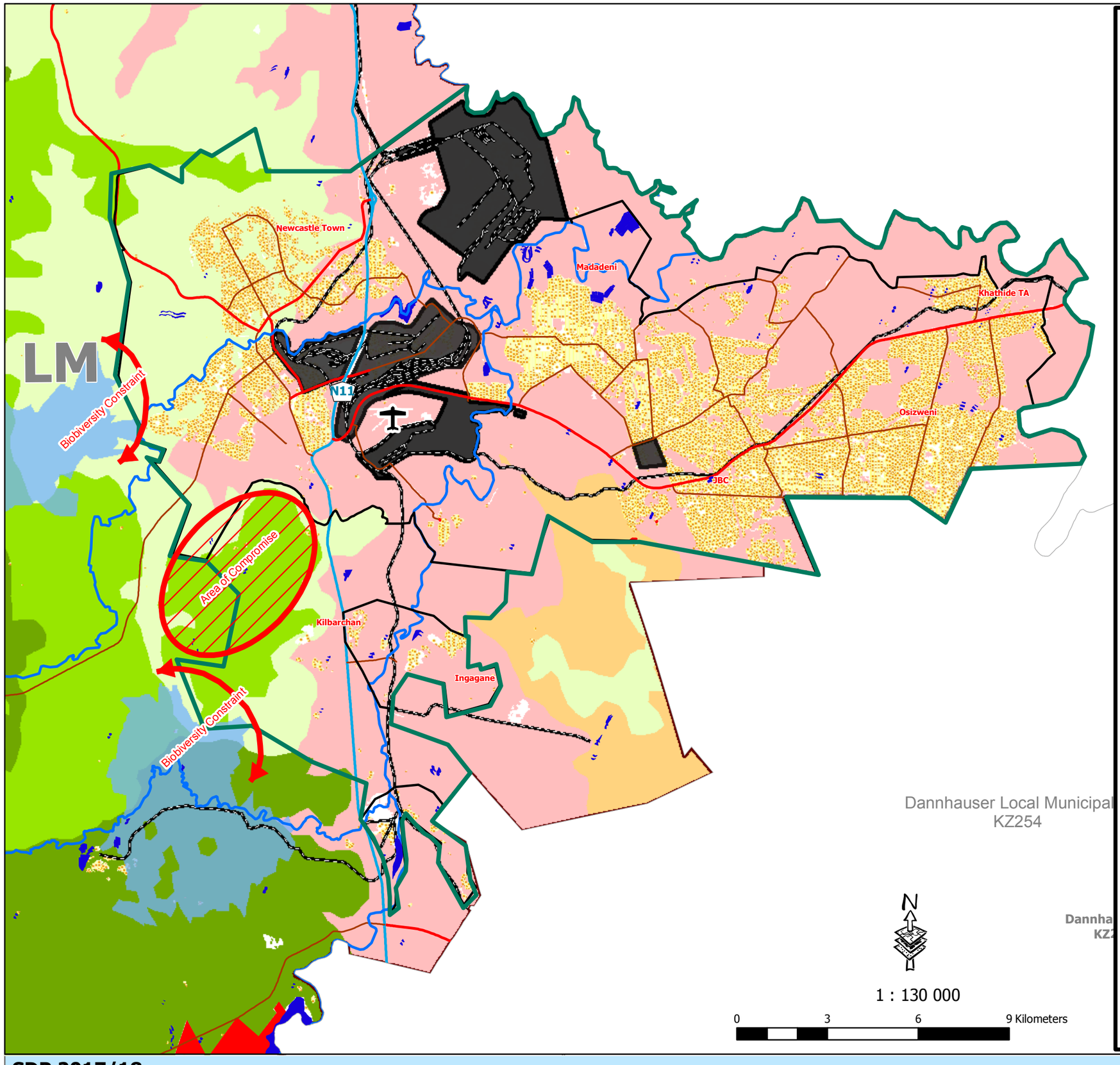
Other
- Airport
- Railway Line

Boundary
- Newcastle Urban Edge
- Development Boundary

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * URBAN OPEN SPACE

MAY 2017



LEGEND

Other
- Airport
- Railway Line

Existing Roads
- Class 1
- Class 2
- Class 3

Proposed Roads
- Class 1
- Class 2
- Class 3

Households (2013 SBC)

LAND USE

Structuring Land Uses
- Open space system
- Urban Built-Form

Boundary
- Newcastle Urban Edge
- Development Boundary

HYDROLOGY

Agriculture
- Irreplaceable
- Threatened
- Primary Agriculture
- Secondary Agriculture
- Mixed Land Use

Environment
- Biodiversity Corridor
- Protected Areas
- Main Rivers
- Dams

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * URBAN EDGE

MAY 2017

MPUMALANGA

MPUMALANGA

MPUMALANGA

FREE STATE

Charlestown

Ingogo

Newcastle Town

Madadeni

Khathide TA

Osizweni

JBC

Kilbarchan

Ingagane

Newcastle LM
KZ252

eDumbe Local Municipality
KZ261

Utrecht Local Municipality
KZ253

Dannhauser Local Municipality
KZ254

Endumeni Local M
KZ241

N

1 : 273 000

0 3 6 9 12 15 18 Kilometers

LEGEND

Transport
- Airport
- Railway Line

Existing Roads
- Class 1
- Class 2
- Class 3

Prohibition
- UrbanEdge 2016.
- Highest
- Lowest
- Major Dams

Boundary
- Newcastle Urban Edge
- Development Boundary

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * DEVELOPMENT PROHIBITION

MAY 2017

3.11.33. Air Quality.

A study has been conducted with purpose of assessing the air quality in order to determine the sensitivity of the airshed, the pollution sources of the area and the sensitive receptors. The 'airshed' is the geographic area or a region within which an air pollution problem is largely contained due to the combined effect of the topography and local atmospheric conditions. According to the Environmental Management Framework for NLM (2015), the following is noted:-

- Newcastle's central business district is situated in the valley and suffers from poor dispersion conditions during the winter months. As a result, the city suffers short-term pollution episodes. Lower lying areas that are affected include commercial, residential and industrial land uses.
- Current air pollution sources of concern:
  - Industrial activities (criteria pollutants and others);
  - Waste facilities (dust);
  - Off-site agriculture (dust, herbicides and pesticides); and
  - Transport routes (criteria pollutants).

The ambient air quality of Newcastle is slowly deteriorating to insignificance and interventions are drastically needed in order to improve the quality of the air. This may also be largely due to the current landfill site which has reached the saturation level. The poor planning measures that accrue to the apartheid government were characterised by the prioritisation of land for industrial development in close proximity to where air quality impacts are likely to be greatest. In simple terms, the proximity of industrial areas to the settlements is alarming. According to the National Framework for Air Quality (2012), in 2007, the air quality rating of Newcastle was classified as potentially poor. This rating basically meant that air quality may be poor at varying instances and therefore rendering the area a priority for support in terms of air quality management.

Based on the Environmental Management Framework for NLM (2015), Newcastle may either be Class 3 Air Quality Area (Alert Area) or a Class 4 Air Quality Area (Transitional Compliant Area). The following is applicable to Class 3 and Class 4 areas respectively:-

- Class 3 Air Quality Area (Alert Area): Newcastle is an area that is Section 24 compliant whereby there's no harm to health or well-being of the citizens due to the air quality. It is also an area where ambient air quality remains within the standards, but sustained air quality management interventions is required in order to, at least, maintain or improve this situation.
- Class 4 Air Quality (Transitional Compliant Area): Air Quality is not Section 24 compliant meaning there's possible harm to health and well-being of the citizens of Newcastle. This type of air quality is applicable in areas whereby ambient air quality represents a possible threat to health and well-being and requires immediate and sustained air quality management interventions to, at least, bring there are into compliance with the standards within agreed time frames.

However, improved monitoring measures have been implemented within Newcastle in order to specifically determine the classification of Air Quality within Newcastle and these entail a broad and coordinated framework that uses modern monitoring instruments including a monitoring station in Newcastle. The Amajuba District Municipality is currently in the process of preparing and Air Quality Management Plan for the District. This initiative will include a comprehensive source inventory of emission data, meteorological data and supplementary data to inform constraints and opportunities of air quality in Newcastle.

3.11.34. Climate Change.

The following entails different climate change definitions with the common factor between the various definitions relating to 'changes in the temperature of the earth's surface':-

- **National Climate Change Response White Paper:** "Ongoing trends of changes in the earth's general weather conditions as a result of an average rise in temperature of the earth's surface often referred to as global warming."
- **IPCC Working Group II Assessment Report V:** "A change in the state of the climate that can be identified by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer."
- **United Nations Framework Convention on Climate Change (UNFCCC):** "A change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods."

Climate change is caused by both natural and human activities even though human activities are regarded as the biggest perpetrators of the phenomenon. Climate change variability due to natural causes entails changes in solar radiation, earth's orbit around the sun, changes in volcanic activity, regional patterns of climate variability, cyclical changes in the solar radiation, natural carbon cycle processes, greenhouse effect, and volcanic eruptions (short-term effect on climate change). Climate change variability due to human activities entails burning of fossil fuels (domestic and commercial) which results in increases in the amount of greenhouse gases within the atmosphere i.e. water vapour, carbon dioxide (CO_2 – 50%), Methane (CH_4 – 18%), Nitrous Oxide (N_20 – 6%), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF_6). Furthermore, aerosols, land use changes and development thereof (deforestation), and agricultural activity (overgrazing) also contribute to climate change.

The increased concentration of greenhouse gases within the atmosphere enhances the greenhouse gas effect and the process of climate change is described below:-

- Step 1: Sunlight passes through the atmosphere and warms the earth's surface.
- Step 2: Infrared radiation (IR) is given off by the earth.
- Step 3: Most of the infrared radiation (IR) escapes to outer space allowing the earth to cool.

- Step 4: Some of the infrared radiation (IR) is trapped by gases in the air (including CO_2) thus keeping earth warm enough to sustain life.
- Step 5: An increased concentration of infrared radiation (IR) trapped by the gases offsets the 'enhanced greenhouse effect' causing the surface to heat up even more.

a) Impacts of Climate Change.

Climate change impacts entail the negative marked effects of climate change to the overall environment and these are as follows:-

- Higher maximum temperatures (more hot days and heat waves);
- Lower minimum temperatures (fewer cold days and cold waves);
- Higher intensity percipitation seperated by longer intervals (hurricanes and floods);
- Increased summer drying resulting in droughts;
- Higher wind speeds;
- Increased flooding due to the El Nini effect;
- Sea level rise;
- Loss of ecosystems and species biodiversity;
- Decreasing agricultural activity hence threatning food security;
- Damage to infrastructure (i.e. Roads); and
- Increased rate of extinction for many habitats and species.

b) Mitigating Climate Change.

Climate change mitigation entails efforts towards reducing or preventing human emission of greenhouse gases (GHGs) and these are as follows:-

- Introduction of new technologies;
- Changing consumer behaviour through climate change awareness initiatives;
- Integrated trasnportation systems (i.e. Bus Rapid Transit system (BRT), revival of the rail system for the movement of both passenger and goods);
- Introduction of pedestrian walkways and/or bicycle lanes;
- Conservation of natural carbon sinks i.e. forests;
- Introduction of new carbon sinks through green agricultural initiatives and the planting of trees;
- Introduction of mitigation policies from a municipal perspective i.e. air quality bylaws;
- Use of low-carbon energy sources i.e. renewable energy, nuclear energy;
- Improved insulation of buildings; and
- Climate change infrastructural engineering.

c) Climate Change Adaptation.

Climate change adaptation refers to the anticipation of adverse effects of climate change and taking the appropriate action to prevent or minimise the damage they can cause, or taking advantage of any opportunities that may arise, if any, and the following entails some of the adaptation measures:-

- Use of scarce water resources more efficiently at household level through innovative water storage and conservation techniques;
- Adapting building architecture to future climate conditions including extreme weather conditions;
- Building flood defences and raising the levels of watercources;
- Development of crops that are drought-resilient through advanced agricultural techniques;
- Conservation and protection of ecologically significant corridors in order to promote species migration;
- Providing communities with information that will inform profound decision-making at household level;
- Planting of forestry that is more resilient to storms and veld fires;
- Development of waste ercycling centres and the creation of value from waste;
- Expanded rain-water harvesting; and
- Soil-erosion control including soil protection through the planting of trees and shrubs.

d) Vulnerability to Climate Change.

Climate change vulnerability is basically a function of the character, magnitude and rate of climate variation to which an area is exposed, including its sensitivity, and adaptive capacity and below is a list of some vulnerabilities to climate change:-

- Insufficient coping strategies with regards to disaster management;
- Poor quality of the health facilities;
- Lack of information within the communities;
- Poor communication mechanisms;
- Informal settlements built on flood planes;
- Poor stormwater management system; and
- Low productivity of agricultural land coupled with poor knowledge of agricultural systems, particularly within indigenous people.

e) Vulnerability to Climate Change.

The majority of rainfall within Newcastle falls during summer within the October and March period. Peak rainfall falls within the November and January period. The winters are very cold and dry and they fall within the April and September period. The Mean Annul Evaporation within the area is approximately 1 452mm with the periods October to April having an Average Evaporation of 140mm. The Mean Monthly Precipitation is approximately 874mm with the periods November to March having an Average Monthly Precipitation of 128mm. In general, the distribution of rain and temperature is highly influenced by the height above sea level. Within Newcastle, the highest rainfall occurs within the Newcastle-West area where altitudes are high and this area is also characteris/ed by cold temperatures. We experience a decrease in the amount of rainfall received as we move towards the Newcastle-East area where there's also higher temperatures.

Based on the 2007 SAWS data, the maximum hourly average temperature recorded was 34.9 ˚C (February and March 2007) and the minimum temperature recorded was -4.1 ˚C (May 2007) with the average temperature for the area being 17.6 ˚C. Due to global warming and the changes in the climate thereof, resulting in changes in the local patterns of climate variability. The Environmental Management Framework Report (2015) states that climate change projections for this region indicated wetter than average conditions with higher average conditions with higher average annual and summer rainfall and fewer days with low flow and an increased occurrence of extremes of dry and wet spells.

With regards to flooding, historical records have shown that extreme flood events have occurred in Newcastle at regular intervals throughout the last century. Such floods have had an impact on the land uses, the communities and the environment. The Ncandu and the Ngagane Rivers have regularly burst their banks due to the high levels of precipitation. It is thus safe to say that the occurrence of such events shall persist within the future with the severity of such extreme events likely becoming more noticeable in the future primarily based on an increase in population growth and spatial development.

Another issue of great concern which might also result in the possible exacerbation of the effects of climate change is the degradation of the natural habitat. The natural systems such as floodplains and wetlands are in continuous threat from the illegal settlements that develop in such features. This is not only an issue to the natural environment but it is also a hazard to the well-being of the communities that reside in such areas as some illegally settle on floodplains.

f) Newcastle Climate Change Strategic Interventions.

- Development of the Environmental Management Framework.
- Development of the Air Quality Study.
- Implementation of the Integrated Waste Management Plan.
- Water Conservation and Demand Management (including awareness campaigns).
- Development of a recycling centre (garden refuse drop-off centre).
- Effective Land Use Management System for conservation and protection of areas of ecological significance.
- Introduction of outdoor gym equipment within active public open spaces (children play parks).
- Electrification of rural settlements in order to reduce reliance on the burning of fossil fuel (i.e. coal).
- Introduction of water and electricity smart meters in order to reduce the rate of water and energy consumption within households.

g) Priority Management Areas.

The condition of biodiversity in the Newcastle Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial

vegetation type referred to as Low Escarpment Moist Grassland is located within the Newcastle Municipality. Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity. The analysis also indicates that the endemic Northern KwaZulu-Natal Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Zululand Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality. The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern KwaZulu-Natal Moist Grassland, KwaZulu-Natal Highland Thornveld, and the Income Sandy Grassland.

3.11.35. SWOT Analysis: Natural Environment.

STRENGTHS	WEAKNESSES
• Clusters of forests along Western cliff of plateau region. • Agriculture contributes significantly to the LED, household income and food security. • Mining is a major contributor to GDP, LED income. • Large wetland areas with tourism potential. • Baseline Water Quality is relatively good. • Beautiful landscapes of scenic significance. • Climate conditions favourable for agric-hub. • Large water catchment area. • Direct involvement of KZN Dept. of Agricultural and Environmental affairs in the agricultural sector. • Good system of open spaces.	• Large Scale of alien infestation. • Most abandoned coal mines are high risk areas. • Waste treatment infrastructure is under pressure and needs upgrading. • Landfill facility needs better management and rehabilitation. • Some residential zones have developed in close proximity where air quality impacts are likely to be greatest. • Lack of environmental education. • Lack of qualified environmental planners dealing with environmental issues. • Lack of air quality study
OPPORTUNITIES	**THREATS**

STRENGTHS	WEAKNESSES
• Eradicating alien plants and creating job opportunities at the same time. • Rehabilitation of degraded land in MBO area. • Investigate, rehabilitate and revert mining areas to alternative land uses. • Establishing biodiversity conservation corridors along Western highland plateau region. • Improve infrastructure to address infrastructure backlogs which might impact negatively on the environment. • Formalization and upgrading informal settlements. • Relocation of settlements located in high risk areas such as floodplains. • Opportunities for small and emerging farmers.	• Large scale loss of biodiversity. • Settlement, industrialization & mining threaten biodiversity. • Loss of good agricultural land to settlement, mining & industry. • Mining impacts on water quality. • Need for new landfill site. • Illegal mines pose a health and safety risk. • Informal and illegal dumping sites. • Poor agricultural practises in some instances.

3.11.36. DISASTER MANAGEMENT.

Like most other areas within the lovely KwaZulu-Natal Province, Newcastle is also prone to a wide range of natural and man-made risks and hazards that, in some instances, may result in disasters. These mainly include floods and fires which occur during any part of the year usually resulting in serious damages, costs, loss of life and/or property, infrastructure and economic livelihoods. NLM's Disaster Management Plan has been developed through close engagements with the established stakeholders in the form of the Disaster Management Advisory Forum. The plan outlines the basic concepts and principles related to disaster management, as well as common hazards and risks, and roles and responsibilities of all stakeholders involved in disaster risk reduction. The main focus of the plan is towards disaster risk reduction, and it is currently being prepared in line with the requirements of the Disaster Management Act (Act No. 57 of 2002) which seeks to provide a uniform and multi-disciplinary approach in the management of disaster incidents in the province with specific emphasis on prevention, mitigation, preparedness and rapid response.

Intrinsic to the development of an efficient and effective disaster management plan are programmes and strategies towards disaster risk reduction which entail awareness campaigns, risk assessments, improving institutional reduction arrangements and poverty reduction plans, training programmes and research. The recommended response systems include early warning signals, regional response units and food security monitoring. The Disaster Management Advisory Forum is of critical importance for the development and implementation of an efficient Disaster Management Plan which plays a

big role thus to ensure inclusivity and collective ownership of responsibility in line with the spirit of cooperative governance. The plan shall be used as a tool by departments, institutions and/or organizations through the alignment of their development plans with the Disaster Management Plan. This will be done by the plan through the following:-

- Identification of specific risks and hazards.
- Identification of measures for the reduction of disaster risks.
- Outlining of the roles and responsibilities in the management of disaster incidents.

The Honourable Mayor of Newcastle is the custodian of the Disaster Management Plan and is responsible, through supporting departments, especially **Community Services: Fire and Disaster Management**, to regularly review and update the plan. The overall vision of the plan is "Towards cutting-edge disaster risk management for safer and resilient Newcastle communities." The plan will also contain a disaster risk profile of the Newcastle Local Municipality thus to identify potential areas.

The NLM Disaster Management Plan was developed in line with the requirements from the Disaster Risk Management legislation. As mentioned, the development thereof was guided by the NLM Disaster Management Advisory Forum which was established on the 12th of February 2013, sitting quarterly in line with the National and Provincial legislation. Discussed in the forums are issues such as disaster risk profiling, the objectives towards the KPAs, the related budget requirements, an analysis on climate change, mitigation and adaptation initiatives etc. These were crucial for the development of a comprehensive Disaster Management Plan that functions to give a true reflection of the Disaster Management conditions in Newcastle including the state of readiness.

a) Institutional Arrangements.

Newcastle Municipality's Disaster Management Advisory Forum was established to satisfy the recommendations as stated in the Disaster Management Act (Act No. 57 of 2002); National Disaster Management Framework of 2005 as well as the Policy Framework for Disaster Risk Management. However, there is still non-existence of the Disaster Management Inter-Departmental Committee and this is attributed to a general lack of understanding and application of the relevant legislation.
Below is the composition of the Newcastle Fire and Rescue Services Stations and personnel:-

STATION	FIRE MANAGEMENT	FIRE FIGHTERS	CONTROL ROOM
Newcastle	1x Acting Chief Fire Officer.	X24 Fire Fighters.	4x Control Room Operators.
	1x Divisional Officer.		
	1x Station Officer.		
	1x Control Room Supervisor.		
Madadeni	1x Acting Station Officer.	11x Fire Fighters.	
Osizweni	1x Station Officer.	13 Fire Fighters.	

NLM is part of the Amajuba District Fire Technical Task Team which normally holds meeting for strategic planning twice a year. NLM has also established formidable relations

with NGO's, CBO's, Government and Private Sector stakeholders comprising Farmers Associations, Arcelor Mittal, Karbo-Chem, etc.

The tabled below shows a list of Priority Risks/Hazards within NLM jurisdictional areas and these surfaced during the intensive engagements with relevant stakeholders:-

DRAFT RISK PRIORITIZATION				
HAZARD	**EXPOSURE**	**SEVERITY**	**PROBABILITY**	**ACTIONS NEEDED**
Fires.	Continuous.	Moderate.	Definitely.	Risk Reduction Interventions.
Motor Vehicle Accidents (MVA).	Continuous.	Moderate.	Definitely.	Effective Law Enforcement.
Floods.	Seasonal.	Moderate.	Definitely.	Preparedness Planning.
Hail Storm.	Seasonal.	Insignificant.	Definitely.	Preparedness Planning.
Illegal Mining.	Continuous.	Extreme.	Likely.	Risk Reduction Intervention.
Air Pollution.	Continuous.	Moderate.	Likely.	Preparedness Planning.
Water Pollution.	Continuous.	Extreme.	Likely.	Risk Reduction Intervention.
Snow.	Occasional.	Insignificant.	Unlikely.	Preparedness Planning.
Drought.	Occasional.	Moderate.	Likely.	Preparedness Planning.
Aircraft Accidents.	Seldom.	Extreme.	Likely.	Preparedness Planning.
Cholera.	Continuous.	Extreme.	Likely.	Risk Reduction Intervention.
Food Poisoning.	Continuous.	Moderate.	Likely.	Preparedness Planning.
Swine Flu.	Seldom.	Moderate.	Likely.	Preparedness Planning.
Anthrax.	Seldom.	Insignificant.	Unlikely.	Preparedness Planning.
Rabies.	Seldom.	Moderate.	Unlikely.	Preparedness Planning.

Below is a list of programmes and projects towards disaster risk reduction.

NAME OF PROJECT	BUDGET	TARGETED AREAS	DATE
Installation of Electricity: Taxi Rank.	R 26 000,00	Taxi Rank.	2015/16
Access Control.	R 1 400 000,00	Municipal Building and Taxi Rank.	2015/16
Pool Safety Equipment.	R 80 000,00	All Municipal Swimming Pools.	2015/16
Establishment of Animal Pound.	R 235 000,00	Stray animal around NLM	2015/16
Road Traffic Signs.	R 300 000,00	P483, Asiphephe Drive	2015/16
Fire and Rescue Equipment	R 300 00,00	All MVA's and Fire Related incidents.	2015/16
Roads and Storm-water Projects.	R 12 00 000, 00	Ward 11, 13, 20, 28	2015/16
Widening of Asiphephe Road	R 6 000 000,00	Ward 20	2015/16
Osizweni E&F	R 4 500 000,00	Ward 28	2015/16
Provision of basic sanitation services to Charlestown.	R 5 000 000,00	Ward 1	2015/16
Provision of basic sanitation services to Ingogo.	R 5 000 000,00	Ingogo	2015/16
Blaauwbosch water project.	R 6 000 000,00	Ward 25	2015/16
H39 Housing Project Bulk Infrastructure	R 6 000 000,00	H39	2015/16
Guttenberg Storm-water	R 2 000 000,00	Riverside Industrial	2015/16
Water Pump	R 30 000,00	All Municipality	2015/16
Refurbishment of KwaMathukuza Sewerage Pump Station.	No funds indicated	No areas shown	No date shown.
Electrical Upgrade to Newcastle No. 1 Sewer Pump Station.	R 800 000,00	-	2016/17
Madadeni NO.2 Sewer Pump Station Upgrade	R 300 000,00	Madadeni	2015/16
Rehabilitation of Dongas	R 1 600 000,00		2015/16 2016/17 2017/18
Water Storage Tanks	R 50 000,00		2015/16 2016/17

			2017/18
Street Lighting Mast	R 5 00 000,00		2015/16 2016/17 2017/18

Furthermore, the Warning Strategy has also been developed with the implementation composed of the Departmental Head of the Newcastle Disaster Management, NLM Public Relations Officer, Emergency Communication Centre, and the NLM Communications Officer. The strategy also makes room for Education, Training, Public Awareness and Research through either one of the following measures:-

- Public awareness campaigns;
- Continuous community Based Awareness Campaigns that involve relevant stakeholders;
- The NLM's Disaster Management HOD has the responsibility to commission disaster related scientific studies and should focus on risk assessment and scientific input towards risk assessment within the municipality; and
- Political and administrative buy-in is required for effective and efficient management.

The following table entails NLM Disaster Management Funding Mobilization Strategy:-

ITEM	VOTE NUMBER	BUDGET ALLOCATION
Emergency Services (Disaster Management)	020260020242	2015/2016 = R 1 033 815.00
		2016/2017 = R 1 094 842.00
		2017/2018 = R 1 098 342.00

b) Contingency Plan: Fires.

The contingency plan for fires entails contingency arrangements in relation to the aforementioned risk. It also entials a collection of information and inputs received from different stakeholders. The potential and histrorically proven causes and consequences of the identified risk are as follows:-

❖ Causes:-

- Human error/negligence;
- Lack of capacity and wareness regarding fire risk;
- Misuse of flammable liquids such as paraffin;
- Conflict and/or alcohol;
- Illegal connection of electricity;
- High density of residential dwellings, formal and informal strucutres;
- Challenges with response due to ineffective communication (such as the fact that no toll-free number exists for the fire department) and blocking of roads by residents placing furniture on the streets when a fire occurs;
- Highly flammable building materials and households content (wood, cardbord and plastic);
- Lack of water reticulation for fire-fighting purposes (fire hydrants);
- Lack of insufficient fire breaks;

- Lightning;
- Lack of maintenance of equipment; and
- Unskilled personnel operating specialised equipment.

❖ Consequences:-
- Loss of life and property;
- Impact on the economy;
- Loss of jobs.

Table 12: Stakeholders including responsibilities for the fire risk.

STAKEHOLDER	PRIMARY ROLES AND RESPONSIBILITIES
Executive Committee	Executive Committee declares a state of disaster and receives and considers reports with regard to disaster risk management.
Municipal Manager	Municipal Manager is overall responsible for governance in the Municipality, including effective disaster risk management.
Head : Disaster Management Function through Director : Community Safety	The Disaster Management Functions are overall disaster risk management and coordination, as per Section 44 of the Disaster Management Act. Each Municipal Department will complete its own disaster management plans, to be incorporated into the Municipality's Municipal Disaster Management Plan.
Fire and Emergency Services	Assist with disaster risk reduction, implementation and co-operation.
Disaster Management Volunteers	The formal, trained volunteer unit assist Disaster Management in their functions.
The residents and communities affected	Assist with disaster risk reduction and cooperation.
Ward Councillors	The Ward Councillors assist with community liaison within their Wards.
Community Leaders	Community Leaders assist with community liaison.
Non-Governmental Organisations (NGOs) and Community Based Organisations (CBOs)	The NGOs and CBOs assists with disaster risk reduction and co-operation.
Private Sector and Industry	Assist with disaster risk reduction and cooperation.
Department of Health Care	Assisting with prevention/mitigation, response and recovery actions. Treating and transporting of patients.
Corporate Services	Assisting with administration and legal advice.

Financial Services	Funding

The following table entails mitigation/prevention activities relevant to the reduction of the identified disaster risk and are to be co-ordinated, monitored and evaluated by the Newcastle Municipality.

Table 13: Mitigation and Prevention actions.

ACTION	**LEAD/ RESPONSIBLE AGENT/STAKEHOLDER**
Residential related fires. Awareness programmes	Disaster Management Centre & Fire Services
Veld fires. Awareness programme in and around open spaces, fire breaks administered	Disaster Management Centre & Fire Services
Early fire risk predictions. Early warning of high fire risk places & times, based on weather and vegetation/field condition	Disaster Management Centre & Fire Services
Survey of industries (for fire and hazardous materials risks); associated updating of hazard severity map; compilation of hazardous materials register/database, indicating the location and contents of facilities spatially and in database format; Stakeholder meetings to confirm and refine the findings. Integrated register/database	Disaster Management Centre & Fire Services
All industries ensuring that their staff is well trained, motivated and equipped.	Industries
All industries ensure that all equipment, especially equipment that could cause an industrial fire, is well maintained.	Industries
Constant review and monitoring of industries safety procedures and plans.	Disaster Management Centre & Fire Services

Effective communication has been identifed as being one of the most important components of effective contingency planning. Due to such, the following standard communication arrangements and generic procedures are to be implimented and these are as follows:-

- Each stakeholder's communication, dispatching and other procedural arragnements are governed by its functional role and its related standard operating procedures;
- The generic communication and implementation flow processes relating to disaster response as depicted in the Generic Flow Chart of the Contingency Plan for Fires;
- The common definition of an incident as a the actual potential for the occurance of a disastrous event, i.e a major road accident.
- A common understanding of Standard Operating Procedures/Protocols as those procedures and actions to be implemented by stakeholders for response and recovery relating to the incident and include Field Operating Guides.

The Contingency Plan also provides for important aspects of Disaster Risk Reduction inlcuding, but not limited to, the Response and Recovery Standard Operating Procedures, the Generic Flow Chart, and the Communication arrangements (i.e. communication with members to report to the Emergency Call Centre by means of the a telephone, cell-phone, radio, and by verbal report).
The following table entails Risk Mitigation and Prevention Projects to be completed by the relevant stakeholders:-

PROJECT	RESPONSIBLE ORGANISATION	TARGET DATE	ESTIMATED BUDGET	CAPACITY / RESOURCES
Residential related fires; Awareness programmes	Head: Disaster Management and Fire Safety; Fire Services	Winter season but sustainable throughout the year (e.g. arson, electric faults, negligence lightning cause fires	R1 000 000,00 allocated for 2015/2016. Annual budget provided for DM.	Sixteen additional fire-fighters has been appointed as at 01/04/2015. Madadeni Fire Sub-station completed.
Veld fires. Awareness programme in and around open spaces, fire breaks administered	Head : Disaster Management and Fire Safety; Fire Services	Winter season but sustainable throughout the year (e.g. arson, electric faults, negligence lightning cause fires	Above budget shared according to needs	
Survey of industries (for fire and hazardous materials risks); associated updating of hazard severity map; Compilation of hazardous materials register /database	Head : Disaster Management and Fire Safety; Fire Services	Winter season but sustainable throughout the year (e.g. arson, electric faults, negligence lightning cause fires	Above budget shared according to needs	Extremely limited capacity but continuous inspections as per SOP

Carry out intensive fire safety inspections to ensure businesses have fire equipment and that staff are well trained to use such equipment.	Head : Disaster Management and Fire Safety; Fire Services	Winter season but sustainable throughout the year (e.g. arson, electric faults, negligence lightning cause fires	Above budget shared according to needs	Extremely limited capacity but continuous inspections as per SOP
Constant review and monitoring of industries safety procedures and plans		Winter season but sustainable throughout the year (e.g. arson, electric faults, negligence lightning cause fires	Above budget shared according to needs	Disaster Management sits quarterly. Various organizations e.g. FPA

3.11.37. CONSOLIDATED NEWCASTLE SPATIAL DEVELOPMENT FRAMEWORK.

The SDF is based on four interrelated, spatial starting points, which together give overall direction to the future spatial form and development of the city of Newcastle.

a) Newcastle a city that is resilient and adaptive.

Newcastle's prosperity will be determined by how well it adapts to change within and without. It will constantly have to balance the provision of basic needs, social services and utilities; the stimulation of economic development and employment creation; and the management of city growth and protection of environmental resources, energy and water supply constraints, and climate change.

In addition, the City will need to compete nationally and globally for investment in order to increase growth, and turn around local poverty. It will constantly have to balance the provision of basic needs, social services and utilities; the stimulation of economic development and employment creation; and the management of city growth and protection of environmental resources (including the built and infrastructural environments).

Spatially, Newcastle must be flexible and able to adapt rapidly to changes in the pace of development, and to shifts in the demand for industrial, commercial and residential property. It will need to be both proactive and precautionary in the way it prepares for the impacts of climate change, depleting oil reserves and natural water resources, and the widening gap between rich and poor.

b) Newcastle a city within a region.

Newcastle should not become a regional city, which absorbs all the surrounding towns in its growth path. The diverse identities, functions and growth opportunities of the towns and rural settlements surrounding Newcastle, such as Utrecht, Memel, Normandien,

Dannhauser and Charlestown, need to be preserved, and their functional interrelationships recognized, respected and enhanced.

It is important to understand that the future of Newcastle and its neighbours are interdependent. Coordinated planning, budgeting and management of the region's infrastructural development and water, energy and biodiversity resources are critical. In addition, greater coordination is required to enhance the region's tourism assets, and for the economic positioning of the cities and towns in relation to each other, as well as collectively within a national and global context.

c) Newcastle a city anchored by its natural assets.

Newcastle's natural resources are what make Newcastle a unique and desirable place in which to live, work and invest. Because people derive benefits from the natural environment in a number of direct and indirect ways, it follows that these natural anchors should play an important role in shaping where and how the city develops. Therefor systematic conservation planning should aim to efficiently identify an effective network of persistent and sustainable high priority biodiversity areas, whilst simultaneously, supporting local ecosystems and ecological infrastructure which in turn will have spin-offs for the entire Newcastle. This development must respect the presence, role and function of these natural anchors, and should make the most of the possible benefits residents and visitors could derive from them.

d) Newcastle a city organized around development corridors.

Successful modern cities are those that:-

- Offer an adequate and exciting range of opportunities, facilities, services and amenities that are as far as possible accessible by foot, bicycle, bus and car (in that order of priority); and
- Provide the businesses and industries that drive the city's economy with a different kind of accessibility, namely easy access to goods and services, facilities that enable economic activity and the easy movement of goods.

With our ever-increasing resource constraints and insecurities, it follows that the public and private sector should collectively focus and coordinate their efforts to build a city that has these vital attributes.

For this reason, the SDF proposes that development in Newcastle is focused on a series of activity development corridors. These corridors are systems of mutually reinforcing elements, supported by coordinated infrastructure investments. The SDF also strive to be aligned with national corridors such as identified in the National Growth and Development Plan (SP2).

Activity development corridors:

- offer easy access to goods, services and people;

- are well served by facilities for pedestrians, cyclists, road-based and rail-based public transport facilities;
- offer a vibrant mix of land uses (residential, commercial, industrial and/or recreational);
- are reinforced by a road network that ranges from national to local roads, to facilitate ease of movement; and
- are 5-10 minutes from most people's homes.

These development corridors already exist in Newcastle, although some are more prominent than others. Logical extensions to these corridors are proposed as the focus for the managed growth of the city. The SDF also strive to be aligned with national corridors such as identified in the National Development Plan.

MPUMALANGA

MPUMALANGA

FREE STATE

NEWCASTLE

MADADENI

JBC

OSIZWENI

Utrecht Local Municipality

Dannhauser Local Municipality

Endumeni Local Munic

N

1 : 273 000

0 3 6 9 12 15 18 Kilometers

LEGEND

Major Nodes
- Rural Nodes
- Educational Nodes
- Medical Nodes
- Commercial Nodes
- Neighbourhood Node
- Regional Social Facility Nodes
- Mixed Use Nodes

Existing Roads
- Class 1
- Class 2
- Class 3
- Mixed Activity Corridor/ PSEDS Secondary Corridor (SC12)

Proposed Roads
- Class 1
- Class 2
- Class 3

Other
- Airport
- Railway Line

LAND USE

Structuring Land Uses
- Open space system
- Existing Urban Areas
- Urban Periphery
- Future Urban Areas

Projects
- Catalystic Projects

Boundary
- Newcastle Urban Edge
- Development Boundary

NODES

Key Nodes
- Primary CBD Node
- Secondary Node
- Industrial Growth Point
- Light Industrial Node
- Industrial Node

HYDROLOGY

Wetlands
- Waterbodies
- Wetlands
- Rivers Buffer
- Major Dams

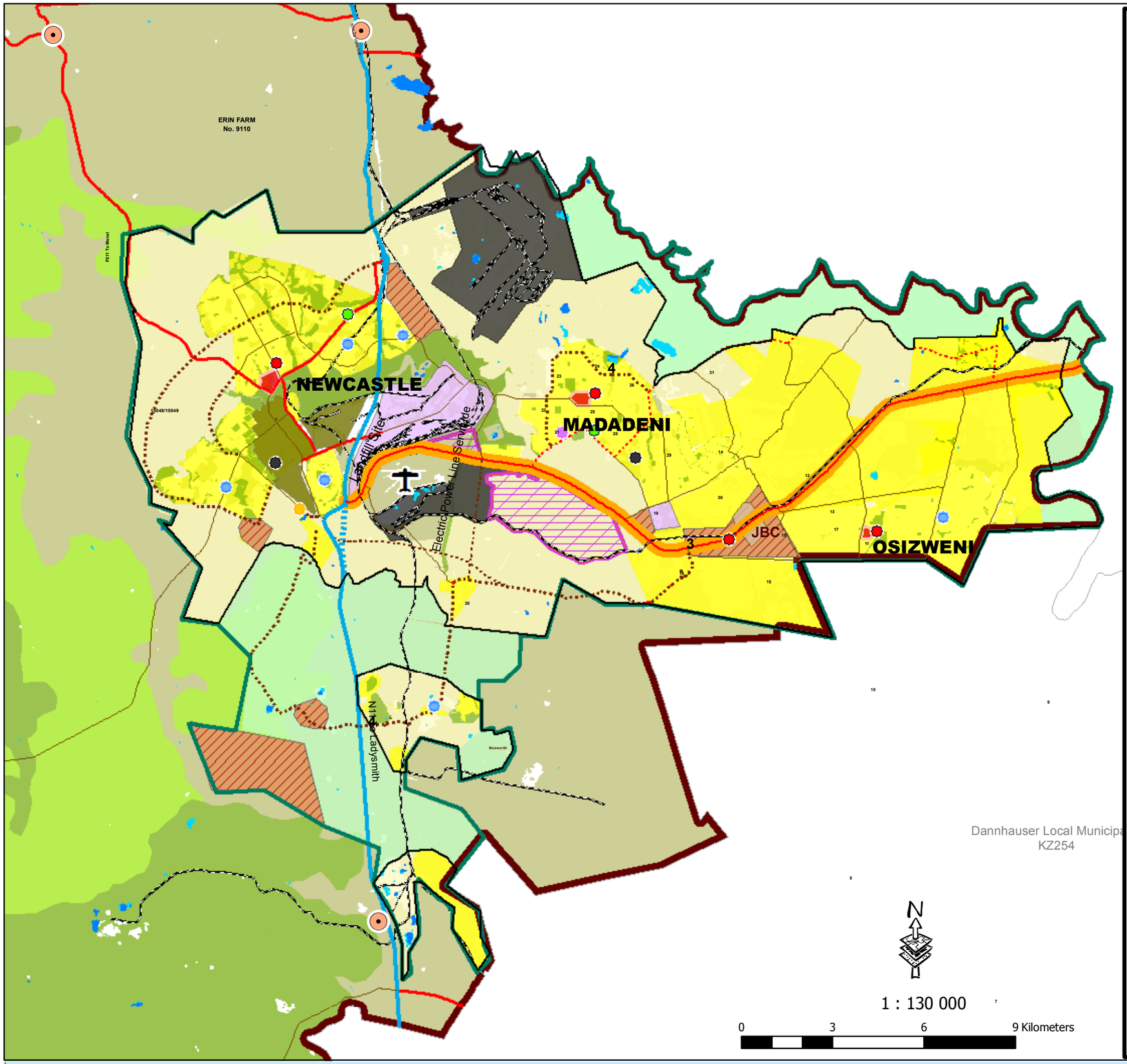
Environment
- Biodiversity Corridor
- Protected Areas

Agriculture
- Irreplaceable
- Threatened
- Moderate to Low

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * CONSOLIDATED SDF MAP

MAY 2017



LEGEND

Major Nodes
- Rural Nodes
- Educational Nodes
- Medical Nodes
- Commercial Nodes
- Neighbourhood Node
- Regional Social Facility Nodes
- Mixed Use Nodes

Existing Roads
- Class 1
- Class 2
- Class 3
- Mixed Activity Corridor/ PSEDS Secondary Corridor (SC12)

Proposed Roads
- Class 1
- Class 2
- Class 3

Other
- Airport
- Railway Line

LAND USE

Structuring Land Uses
- Open space system
- Existing Urban Areas
- Urban Periphery
- Future Urban Areas

Projects
- Catalystic Projects

Boundary
- Newcastle Urban Edge
- Development Boundary

NODES

Key Nodes
- Primary CBD Node
- Secondary Node
- Industrial Growth Point
- Light Industrial Node
- Industrial Node

HYDROLOGY

Wetlands
- Waterbodies
- Wetlands
- Rivers Buffer
- Major Dams

Environment
- Biodiversity Corridor
- Protected Areas

Agriculture
- Irreplaceable
- Threatened
- Moderate to Low

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * CONSOLIDATED SDF MAP

MAY 2017

3.12. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT.

According to the business dictionary, transformation is a process of profound and radical change that orients an organization in a new direction and takes it in an entirely different level of effectiveness. Transformation implies a basic change of character and little or no resemblance with the past structure. It is from this premise that Newcastle Municipality plans to accelerate municipal transformation and organization development.

Staying true to the words of former President of South Africa, Nelson Mandela, ***"Action without vision is only passing time, vision without action is merely day dreaming, but vision with action can change the world"***, the municipality has set out to define a vision, mission and values that will guide the organization through this complete change of character and to professionalize local government.

3.12.1. Institutional Arrangement.

The White Paper on Local Government spells out the objectives of local government and to provide direction for the implementation of these objectives and ensure efficient service delivery, the municipality's governance structures are arranged to address challenges from the different functional areas of the municipality.

Following the 2016 Local Government Elections, the Newcastle Municipality is composed of 34 wards and 67 councillors. Council, EXCO and Portfolio Committees meet on a monthly basis to set policies, approve a budget and monitor performance in order to ensure that operations are in place for efficient delivery of services.

Municipal Portfolio Committees are structured as per the national guidelines. Their core function is to look at specific issues that relate to each portfolio committee, research those issues, deliberate on them and then make recommendations to EXCO and the full Council, for the latter to take decisions.

African National Congress	40
Inkatha Freedom Party	11
Democratic Alliance	6
Economic Freedom Fighters	5
Azanian People's Organization	1
Royal Loyal Progress	1
People's Revolution Movement	1
Vryheids Front	1
Independent	1

3.12.2. Municipal Public Accounts Committee (MPAC).

Following the guidelines of the Department of Co-operative Governance and Traditional Affairs the Council has established a Municipal Public Accounts Committee. The Committee consists of 5 Councillors of the Municipality, who are not members of the Executive Committee. The Committee examines:-

a) The financial statements of all executive organs of Council;
b) Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal Entity;
c) Any other financial statements or reports referred to the Committee by the Council; and
d) The annual report on behalf of the Council.

It also reports to the Council, through the Speaker, on any of the financial statements and reports referred to above; develops the annual oversight report based on the annual report; initiates any investigation in its area of competence; and performs any other function assigned to it by resolution of the Council.

Municipal Public Accounts Committee:

1) Cllr M E Ngcobo (Chairperson)
2) Cllr B S Dlamini
3) Cllr N P Kunene
4) Cllr S G Miya
5) Cllr N M Ngcobo
6) Cllr S J Nhlapho
7) Cllr S E Shabangu
8) Cllr L G Thwala
9) Cllr M S Mlangeni
10) Cllr T M Zulu
11) Cllr A P Meiring
12) Cllr M W Twala

3.12.3. Powers and Functions.

The following Local Government Powers and Functions as authorized to Newcastle Municipality were separated into core and non-core functions. Further allocation of powers and functions is elaborated on under institutional arrangements section.

Table 14: Core/Primary Functions.

Core/Primary		Capacity to implement (MDB)	Proposed intervention
	Building Regulations	Yes	None

Core/Primary		Capacity to implement (MDB)	Proposed intervention
Schedule 4 Part B	Electricity and Gas Reticulation	Yes	None
	Fire Fighting Services	Yes	None
	Municipal Planning	Yes	None
	Storm water Management systems in Built up areas	Yes	None
	Water and Sanitation Services	Yes	Await recommendations from MEC on intervention
Schedule 5 Part B	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal, refuse dumps and solid waste disposal	Yes	None
	Street lighting	Yes	None
	Traffic and parking	Yes	None

Table 15: Non-core Powers and Functions.

	Non-core /Secondary Functions		
Schedule 4 Part B	COMMENT FROM MDB(District Wide)	Schedule 5 Part B	COMMENT FROM MDB(District Wide)
Air Pollution	None	Beaches and Amusement Facilities	Not or being poorly performed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	Not or being poorly performed	Control of undertakings that sell liquor to the public	Not or being poorly performed
Municipal Health Services	None	Facilities for the accommodation, care and burial of animals	Not or being poorly performed
Municipal Public Transport	Not or being poorly	Fencing and fences	None

	Non-core /Secondary Functions		
Schedule 4 Part B	COMMENT FROM MDB(District Wide)	Schedule 5 Part B	COMMENT FROM MDB(District Wide)
	performed None		
Municipal Public Works	None	Licensing of dogs	Not or being poorly performed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly performed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly performed
Local Tourism	Being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	Not or being poorly performed
		Public Places	None
		Street Trading	None
		Control of public nuisances	None
		Local Sports facilities	None
		Municipal parks and recreation	None
		Funeral parlours and crematoria	None

Newcastle Municipality has developed sufficient in-house capacity to perform all the core functions. None core functions are performed with the assistance of various government departments and other service delivery agencies e.g. Eskom. There is a need to initiate the process of clarifying roles and responsibilities of all internal and external stakeholders in respect of Powers and Functions at all levels. This has accordingly been prioritised in the NNTAS.

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:-

- Approval of an Integrated Development Plan;

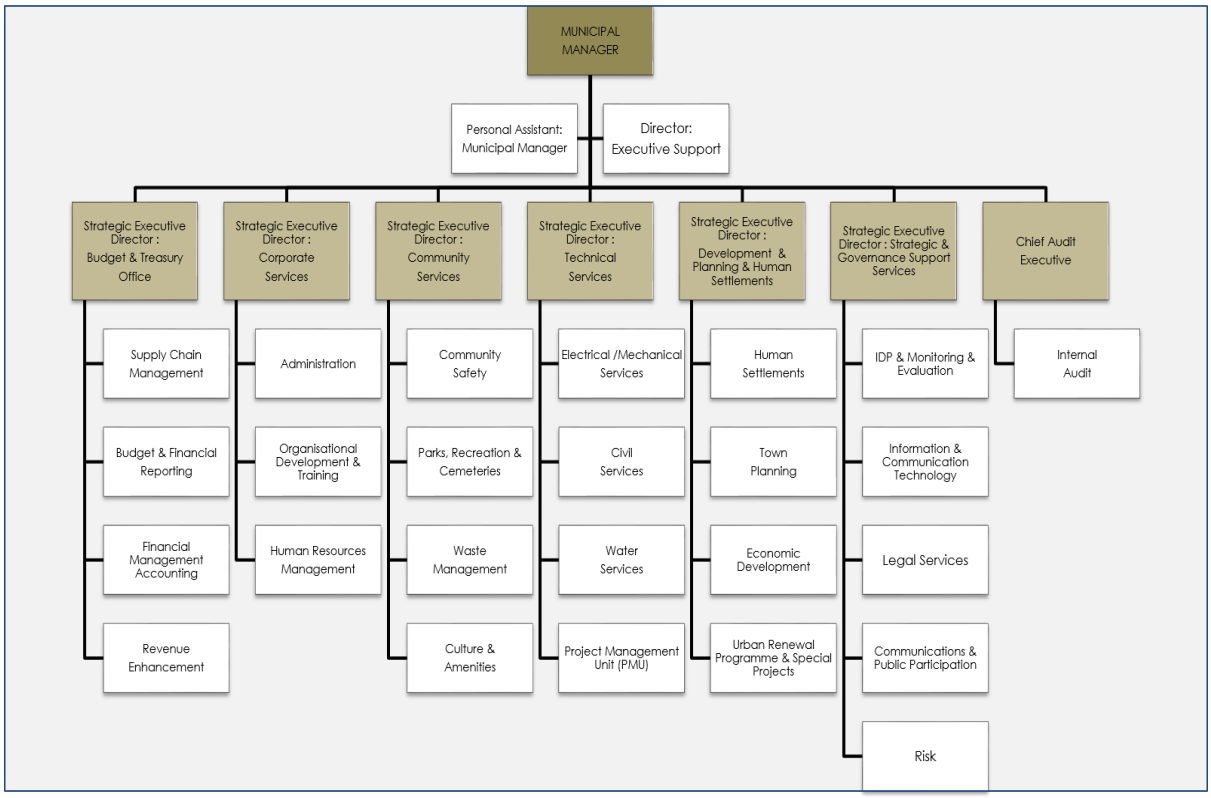
- Passing of by-laws;
- Approval of budgets;
- Imposition of rates and other taxes, levies and duties; and
- Raising of loans.

In respect of the water and sanitation service – this service is rendered through a Water services provider (uThukela Water Pty Ltd) with the Municipality serving as the Water Services Authority. The Amajuba District function being performed by the municipality is the Environmental Health Function and arrangements regarding the transfer of the function to the District are in progress.

3.12.4. Organogram.

The Municipal Manager heads the administrative structure of Newcastle Municipality and is assisted by six Heads of Departments (Strategic Executive Directors/ SED's) and the Chief Audit Executive. Each department is further divided into a particular number of business units headed by Directors.

Figure 13: Organogram of the Newcastle Municipality



Filling of critical positions (S54 & S56).

The municipality has been able to fill the position of Municipal Manager and CFO (SED: Budget and Treasury Office) in January and February 2018. The process to fill the positions of SED: Corporate Services, SED: Community Services, SED: Technical

Services and SED: Development Planning & Human Settlements, is currently underway and it is envisaged that these positions will be filled by June 2018.

3.12.5. Vacancy Rate.

The vacancy rate for senior management is currently at 50% with only 4 posts out of the 8 being filled. As indicated, the process plans for the filling of senior management positions have been approved, the positions have been advertised and will be filled in the 2017/18 financial year.

During the 2016/17 financial year, the Internal Audit unit found that the vacancy rate for other positions in the municipality was above the norm, at an average of 47%. This is largely as the result of the moratorium on positions that was in place during that period ending in 2017/18 for positions that were vacated by resignations, retirements, deaths, and medical boardings. This situation will only be improved following the implementation of the municipality's strategy on Municipal Transformation and Organisational Development which will include an analysis of the organisation with an intention to ensure that adequate resources are available for functions that are currently understaffed and in other instances, resources are re-allocated to units where they can be fully utilized. The municipality is in the process of implementing a financial recovery plan, which will make it difficult for new hires in the 2018/19 financial year but this plan will not compromise service delivery.

3.12.6. Employment Equity.

Newcastle Municipality, as a designated employer, is obligated as per Employment Equity Act 55 of 1998, to develop and implement affirmative action measures and report to the Director General of Labour on annual basis. The municipality uses Provincial demographics information supplied by STATS SA for economically active population as a guide in determining underrepresentation and overrepresentation in all occupational categories. The imbalances of the past can never be eradicated overnight. It is an ongoing effort by Council to ensure equity is realized and to provide an environment that will accommodate the disabled and the aged through proper infrastructure development.

To achieve this, Council has adopted a five year Employment Equity Plan (2016-2021), the plan recognizes the barriers in place and the strategies to respond to those barriers. The barriers were identified by complying with section 19.1 of the Employment Equity Act. Analysis of the workforce profile was done including the employment policies, practices, procedures and the working environment. The aim was to identify barriers which adversely affect people from designated groups. The plan will be reviewed on annual basis to ensure compliance and develop new strategies if need be to address under representation and over representation on certain occupational groups. The Employment Equity Plan aspire towards 100% compliance and that needs an integrated approach from all relevant stakeholders.

The objectives of the Employment Equity Plan for the 2016 – 2021 period are specified in the table below:-

Table 16: Newcastle Municipality EE Plan yearly objectives

TIMEFRAMES		OBJECTIVES
YEAR 1	1 September 2016 – 31 August 2017	To develop an organizational culture geared towards attainment of Employment Equity targets To review Human Resource Management policies Formulate Individual Performance policy to enhance employee performance
YEAR 2	1 September 2017 – 31 August 2018	To ensure compliance with Employment Equity targets during recruitment and selection processes To source adequate funding to support the Employment Equity Plan and attainment of Employment Equity targets To ensure that training plan is aligned with Employment Equity plan To create a conducive environment for EE forum to monitor the implementation of the EE plan To ensure that attainment of Employment Equity targets are built on performance contracts of senior managers.
YEAR 3	1 September 2018 – 31 August 2019	To ensure that all employment practices are informed by Employment Equity plan and targets To develop retention policy that is favourable to designated groups.
YEAR 4	1 September 2019 – 31 August 2020	To develop a succession plan that encompasses Employment Equity targets set out on the Employment Equity plan.
YEAR 5	1 September 2020 – 31 August 2021	To ensure that all municipality buildings and facilities are suitable for the physically challenged and the aged.

3.12.7. Workforce Profile.

The workforce profile reflected in Table 4 shows the data used to conduct the analysis that to inform the approved Employment Equity Plan. This data was used as a baseline for the

setting of numerical goals and targets for each year of the plan. The workforce profile snapshot in Table 4 and Table 5 reflect the profile as at the 31st of December 2017.

Table 17: Snapshot of workforce profile for all employees, including people with disabilities.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	1	0	0	0	3
Senior Management	26	0	4	4	13	0	3	5	0	0	55
Professionally qualified and experienced specialists and mid-management	86	4	8	7	64	1	7	12	4	0	193
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	101	4	19	12	58	5	10	14	0	0	223
Semi-skilled and discretionary decision making	370	8	19	4	164	0	11	13	0	0	589
Unskilled and defined decision making	240	1	1	0	138	1	0	0	0	0	381
TOTAL PERMANENT	824	17	51	27	438	7	32	44	4	0	1444
Temporary employees	16	1	2	3	20	0	5	6	0	0	53
GRAND TOTAL	**840**	**18**	**53**	**30**	**458**	**7**	**37**	**50**	**4**	**0**	**1497**

Table 18: Snapshot for workforce profile for people with disabilities ONLY

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Senior Management	0	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	3	0	0	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	1	0	0	0	0	0	1
Semi-skilled and discretionary decision making	17	0	0	1	5	0	0	1	0	0	23
Unskilled and defined decision making	4	0	0	0	1	0	0	0	0	0	5
TOTAL PERMANENT	24	0	0	2	7	0	0	1	0	0	33
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	**24**	**0**	**0**	**2**	**7**	**0**	**0**	**1**	**0**	**0**	**33**

3.12.8. Numerical Goals.

The numerical goals and targets for the Employment Equity Plan (2016-2021) in the below tables reflects on targets for the entire workforce, including people with disabilities and latter covers people with disabilities ONLY.

Table 19 Numerical goals for all employees, including people with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	0	1	0	4	0	0	0	0	0	8
Senior Management	43	1	4	2	50	1	4	2	0	0	107
Professionally qualified and experienced specialists and mid-management	161	2	14	6	184	2	15	6	0	0	390
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	203	2	18	8	231	2	18	7	0	0	489
Semi-skilled and discretionary decision making	391	5	35	15	446	5	35	14	0	0	946
Unskilled and defined decision making	373	5	33	14	426	5	33	14	0	0	903
TOTAL PERMANENT	1174	15	105	45	1341	15	105	43	0	0	2843
Temporary employees	22	0	2	1	25	0	2	1	0	0	53
GRAND TOTAL	**1196**	**15**	**107**	**46**	**1366**	**15**	**107**	**44**	**0**	**0**	**2896**

Table 20 Numerical goals for people with disabilities ONLY

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	3	0	2	0	0	0	5

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	5	0	0	0	3	0	2	0	0	0	10
Semi-skilled and discretionary decision making	0	0	2	1	3	0	0	0	0	0	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	5	0	2	1	9	0	4	0	0	0	22
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	**5**	**0**	**2**	**1**	**9**	**0**	**4**	**0**	**0**	**0**	**22**

3.12.9. Policies and Bylaws.

Council has undertaken a process of promulgating and gazetting the new Municipal Bylaws. The Bylaws that have been approved by Council on the 6th of December 2017 and have been to the public for comments are:-

a) Community Services.

- Cemetery Crematorium By-law;
- Caravan Parks By-law;
- Fire Brigade By-law;
- Museum By-law;
- Library By-law;
- Disaster Management Plan;
- Prevention and Suppression of Health Nuisance;
- Metered Parking By-law;
- Refuse By-law;
- Pound By-law;
- Noise Control By-law; and
- Fare-bearing Passenger, Motor Vehicle By-law.

b) Development Planning and Human Settlements.

- SPLUMA Bylaws

- Building Bylaws and Promotion of Green Buildings
- Newcastle Home Based Business Policy and By-Laws – (August 2014 A50)
- Newcastle Outdoor Advertising Policy and By-law - January 2015)
- Placement of Shipping containers on areas under the jurisdiction of Newcastle Municipality - (August 2014 A49)
- Newcastle Place Naming Policy - (May 2015)
- Review of the Urban Open Space Policy - (March 2016)
- Policy on Establishment of Communal Housing (Residential Communes) – (March 2016).
- Informal Trading Policy and Bylaw
- Municipal Land Disposal Policy

c) Technical Services.

- Technical Services; and
- Water By-law.

d) Office of the Municipal Manager.

- Rules of Order;
- Delegation of Powers;
- Anti-Fraud and Corruption;
- Anti-Corruption Strategy and Fraud Prevention;
- Risk Management; and
- Business Continuity Management.

e) Community Services.

- Security Policy.

f) Corporate Services.

- Critical Vacancy;
- Employment Practice: Temporary;
- Employment Practice: Permanent;
- Overtime;
- Acting;
- Leave;
- Occupational Health and Safety; and
- Records Management.

3.12.10. Workplace Skills Plan.

Human Resources Division (HRD) has been successful in rolling out Education, Training and Development programmes as per the Workplace Skills Plan. Employees from all Departments have been sent to different capacity development interventions which are

geared at addressing the skills gaps identified by their respective departments and to capacitate employees to perform their functions effectively, efficiently and economically.

The following policies relevant to Human Resource Development are in place in the Newcastle Municipality:-

- Skills Programme;
- Practical Experiential Training System Policy;
- Bursary Policy;
- Education Policy;
- Induction Policy;
- Internship Policy; and
- Learnership Policy.

The following represents some of the education, training and development programmes that have been rolled out by the Human Resources Development Unit in an effort to support capacity building initiatives and in its execution of the Workplace Skills Plan (WSP):-

- Master's in Public Administration (MPA);
- Firefighters training;
- Engineering studies;
- Business Studies;
- Artisan Development Programme (Electricians, Plumbers, Welders, Diesel Mechanic & Carpentry);
- Adult Education & Training (AET);
- Recognition of Prior Learning (RPL);
- Driver Development Programme;
- Metropolitan & Traffic Policing Diploma;
- Wastewater treatment process programme (NQF Level 1, 2, 3, 4); and
- HIV/AIDS/ OHS/ First Aid Course.

These capacity building programmes were aimed at skilling and multi-skilling municipal employees to enable them to be competent and efficient in executing their duties in relation to service delivery.

The Education, Training and Development programmes are executed through the following mechanisms, the Determination of Training Needs, Study Assistance, Bursary Scheme for Municipal Employees, Mayoral Bursary Scheme and learnerships. The Education, Training and development initiatives are funded through internal funding and external funding which includes grants from different setas but in particular LGSETA. This training forms the bulk of all training that gets arranged.

Education, training and development programmes are not limited to council employees but involves councillors, Ward Committees members and the community at large. Through our

in-house Internship and In-Service Training Programmes HRD assist the youth of Newcastle to acquire work integrated experience relevant to acquire their qualifications and work experience for graduates.

HRD supported by LGSETA through discretionary grant is in the process of offering the community skills programmes and learnership opportunities on the following areas:-

- Community house building;
- Bricklaying;
- Plumbing;
- Welding;
- Animal production; and
- Plant production.

3.12.11. Human Resources Strategy

The Human Resources Strategy acts as an instrument which provides foundation for the achievement of organizational goals through comprehensive planning of human resources.

The Human Resources strategy acts as a foundational plan which outlines the broad human resources operational plan for the entire organisation. The strategy is aimed at providing guidelines to end user departments on issues relating to Human Resources holistically. The municipal Human Resources Strategy is currently under preparation. The municipality has requested the assistance of Salga to assist with the process of development of the strategy.

3.12.12. Integrated Human Resource Management

To meet the organizational strategic goals for Municipal Transformation and Organizational Development, the municipality has developed a vision and mission for an Integrated Human Resource Management (IHRM). The vision for IHRM that will be used to align the HR strategy with the organizational strategy is, “Positioning Newcastle Local Municipality for the attainment of vision 2035 by attracting, developing, retaining and motivating the best talent”.

The mission that has been set out for IHRM is, “We commit to provide high quality Human Resources services that attract, develop and retain a diverse workforce driven to a high level of commitment and discipline as well as encouraging an organisational culture that stimulates professional excellence and personal leadership”.

Human Resources Management (HRM) is a strategic and systematic approach to managing people in a way that would maximize their motivation and contribution towards meeting the organization’s objectives. A HRM Plan is a departmental document which sets

out what programmers are required in the following few years to practice HRM in the department.

The municipality has an adopted **Human Resources Management Plan** aimed at assisting the department to achieve its mission and objectives through a systematic design and implementation of HRM programmers.

3.12.13. Human Resources Policies

The following table illustrates the list of all the Council adopted policy of the Newcastle Local Municipality:-

Table 21: Council Approved Policy.

NAME OF POLICY	DATE OF APPROVAL
Leave policy guidelines	2016
Homeowners allowance guidelines	2016
Acting Allowance Policy	01 September 2014
Overtime Policy	27 August 2008
Recruitment and Selection Policy	03 April 2002
Employee Assistance Programme Policy	25 July 2007
Newcastle Municipality Framework for Performance Management	March 2015
HIV/AIDS Workplace Policy	25 July 2007
Sexual Harassment Policy	30 April 2003
Smoking Policy	10 May 2005
Strike Management	June 2007
Acting Appointments Policy	29 September 2010

3.12.14. Administration.

Administration directorate is one of the most important component of the municipality located under Corporate Services Department as it works as a business partner to enable all departments within the Municipality to render services to the community. The directorate has two sections, Records Management and Registry as well as General Administration and Secretariat. It develops, manages and maintains sound governance systems, processes and procedures as key components of the professional strategic and operational support it provides to:-

- Council and its committees;

- the Mayor;
- the Executive Committee;
- the Speaker;
- MPAC (Municipal Public Account Committee); and
- The organisation as a whole.

In executing its duties, the administration directorate is guided by the pieces of legislation that are relevant to each functional area within the directorate. Amongst the legislation guiding the department are:-

- Municipal Finance management Act;
- Municipal System Act;
- Municipal Structures Act;
- The Constitution of RSA;
- National Archives Act and Records Service of South Africa Act no 43 of 1996 as amended;
- KZN Provincial Archives Act;
- The Promotion of Access to Information Act;
- The Promotion of Administrative Justice Act; and
- Electronic Communications & Transactions Act.

Further to the above legal prescripts that guide the administration, the same has to ensure that the Standing rules and orders for the Newcastle Municipal Council meetings and its committees as well as Records Management policy and systems are also in place. The directorate guides the councillors as to their duties and responsibilities and makes them aware of relevant legislation and regulations and ensures proper orientation and induction of councillors. The directorate ensures that councillors have access to information and ensures statutory and regulatory compliance, in that it provides the following professional and effective administrative support to all Newcastle Municipality Council structures to enhance optimal functioning of the councillors:-

- The formulation and adoption of essential outstanding policies related to the directorate and by-laws;
- Ensuring the provision of a sustainable administration service to Council, its committees and staff complement to maximise performance output within the means of the municipality and in support of the IDP;
- To oversee logistical arrangements for all Council meetings and manage travel logistics for Councillors;
- Provides the secretariat support to council and its committees thereby implementing its activities in line with meeting schedule;
- To manage procurement of tools of trade in line with the provisions of Supply Chain Management;
- Provide Council Support function and meetings management (minutes taking, timely agenda distribution, implementation of council resolutions);

- Responsible for auxiliary services (office cleaning and provision of hygienic services in all municipal buildings);
- Overseeing the delivery of administration functions to the various components of the municipality;
- Ensuring that the values and principles set out in section 195 of the Constitution of the Republic of South Africa are promoted throughout the Municipal Administration;
- Provision of printing, switchboard, records Management and Registry service support to the entire municipality.

Records Management is a competency of the Provincial Archives Services within the department of Arts and Culture as per section 13 of the Archives Act. KZN Archives are responsible to give guidance and supporting all municipalities and governmental institution by conducting records management trainings, inspections for compliance and appraisals. Their responsibility is to ensure sound records management in the entire province by enforcing all pieces of legislation regarding records management issues. The following are the function of Records Management unit:-

- To link records management to Council's strategy and strategic plans;
- To ensure that relevant information is available regarding the record keeping and records management practices of the Council;
- To ensure that information contained in records is managed effectively throughout the Council;
- To ensure that the records management staff understand their responsibilities and acquire the necessary skills to manage records effectively through trainings;
- To ensure that information can be identified and retrieved when required;
- To ensure that all records are kept in safe custody;
- To ensure that there is a systematic disposal programme in place to create space; and
- To ensure that all electronic records are managed according to the requirements of the Provincial Archives and Records Service and good governance.

In ensuring the above records management functions, the municipality has recently embark on the implementation of the Electronic Document Records Management System project to ensure that the objective of the unit is attained. It has been realized that proper management of documents and records of the entire Municipality is a challenge hence the procurement of the system with different processes within the system was vital. This system is called D2 and has vast benefits which addresses improved service delivery, accountability as well as good governance of all activities within the institution. These benefits are listed below:-

- The system will track the performance of every business process and monitor users who participate in the approval process;
- D2 reduces the human factor related mistakes to minimum;
- It helps to avoid the risks of delaying and slowing down of any business process by enabling approvals from anywhere provided the required digital signatures are implemented;
- The system improves Governance of the institution;

- It provide documents to validate and support performance management and
- D2 will provide supporting documents for all projects at a click of the button.

The following Administration policies and By-laws are in place at the Newcastle Municipality:-

- Standing rules and orders for the Council meetings and its committees and
- Records Management policy.

3.12.15. Information and Communication Technology.

The Newcastle Municipality's ICT section was established in 2010 to address a long-overdue need to for technology and systems for the transformation of business operations and to enable service delivery by ensuring that core processes and functions are performed optimally, effectively and efficiently. This objective could not be realized between 2010 and 2012 because the ICT unit was not properly placed in the structure – ICT was placed under the Administration unit in the Corporate Services department. A decision was then taken to make ICT a Directorate and from February 2013, ICT was made a Directorate reporting directly to the Municipal Manager. This move meant that the municipality viewed ICT as a strategic support service that is required in order to meet objectives of the municipality as a whole. The head of ICT is permanent member of the municipality's Management Committee and ICT also provides advice to the Executive Committee which provides political leadership and direction.

a) ICT Policy Framework.

As a measure thus to ensure effective and efficient management of ICT resources and processes, NLM has recently developed a Municipal Corporate Governance of Information and Communication Technology Policy. In turn, this will aid the municipality in achieving the municipal goals and objectives. The main purpose of the policy is to align ICT functions to the organizational goals, minimise the risk ICT introduces and ensure that there is value in the investments made in ICT.

The view of the Newcastle Municipality is that ICT should be governed and managed at all levels within an organizational structure and this is also supported by internationally accepted good practice and standards. With regards to municipal operations, the policy places a very specific responsibility on the Council and Management within NLM in order to ensure that the decision making process for ICT remains transparent. Such measures enable the municipality to align the delivery of ICT services with the municipality's Integrated Development Plan's strategic goals.

ICT Governance is implemented in two different layers namely:-

- Corporate Governance of ICT – the governance of ICT through structures, policies and processes. In terms of Corporate Governance of ICT, the current and future use of ICT is directed and controlled.

- Governance of ICT – through Standard Operating Procedures. In terms of Governance of ICT, used are the individual processes and procedures which ensure the compliance of the ICT environment based on pre-agreed set of principles. The main purpose of the Municipal Corporate Governance ICT Policy is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within the Newcastle Municipality. This Municipal Corporate Governance ICT Policy provides the Municipal Council and Management with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for implementation of ICT Governance.

- The objectives of this Corporate Governance of ICT Policy for Newcastle Municipality seek to achieve the following:-

- Institutionalize a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the Municipality;
- Aligning the ICT strategic goals and objectives with the Municipality's strategic goals and objectives;
- Ensuring that optimum Municipal value is realised from ICT-related investment, services and assets;
- Ensuring that Municipal and ICT-related risks do not exceed the Municipality's risk appetite and risk tolerance;
- Ensuring that ICT-related resource needs are met in an optimal manner by proving the organisational structure, capacity and capability;
- Ensuring that the communication with stakeholders is transparent, relevant and timely; and
- Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation.

The following practices outlined in the table below have been assigned to specific designated municipal structures and officials in order to achieve the objectives and principles contained in this Municipal Corporate Governance of ICT Policy:-

Practice No.	Practices Description
	The Municipal Council must: Provide political leadership and strategic direction through: Determining policy and providing oversight; Take an interest in the Corporate Governance of ICT to the extent necessary to ensure that a properly established and functioning Corporate Governance of ICT system is in place in the municipality to leverage ICT as an enabler the municipal IDP; Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related Municipal issues beyond their direct control and influence; and Ensure that the municipality's organizational structure makes provision for the Corporate Governance of ICT.

Practice No.	Practices Description
	The Municipal Manager must: Provide strategic leadership and management of ICT; Ensure alignment of the ICT strategic plan with the municipal IDP; Ensure that the Corporate Governance of ICT is placed on the municipality's strategic agenda; Ensure that the Corporate Governance of ICT Policy, charter and related policies for the institutionalization of the Corporate Governance of ICT are developed and implemented by management; Determine the delegation of authority, personal responsibilities and accountability to the Management with regards to the Corporate Governance of ICT; Ensure the realization of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks; Ensure that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated; Ensure that appropriate ICT capacity and capability are provided and that a designated official at a Management level takes accountability for the Management of ICT in the municipality; and Ensure the monitoring and evaluation of the effectiveness of the Corporate Governance of ICT system e.g. ICT steering committee.
	The Municipal ICT Steering Committee, Risk and Audit Committee must Assist the Municipal Manager in carrying out his/her Corporate Governance of ICT accountabilities and responsibilities.
	Management must ensure: ICT strategic goals are aligned with the municipality's Municipal strategic goals and support the municipal processes; and Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on.

The following entails a list of the benefits that may be realised through effectively implementing and maintaining the Corporate Governance of ICT:-

- Establishment of ICT as a strategic enabler in a municipality;
- Improved achievement of municipal integrated development plans;
- Improved effective service delivery through ICT-enabled access to municipal information and services;
- Improved ICT enablement of a municipality;
- Improved stakeholder communication;
- Improved delivery of ICT quality services;
- Improved trust between the municipality and the community through the use of ICT;
- Lower costs (for ICT functions and ICT dependent functions);

- Increased alignment of ICT investment towards municipal integrated development plans;
- Improved return on ICT investments;
- ICT risks managed in line with the ICT priorities and risk appetite of the municipality;
- Appropriate security measures to protect both the municipality and the information of its employees;
- Improved management of municipal-related ICT projects;
- Improved management of information as ICT is prioritised on the same level as other resources in municipalities;
- ICT pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology;
- Improved ICT ability and agility to adapt to changing circumstances; and
- ICT executed in line with legislative and regulatory requirements.

b) ICT Vision, Mission and Guiding Principles.

The Newcastle Municipality's ICT vision is; "To be a catalyst for change and a world class leader in delivering technology solutions and services that directly contribute to mission accomplishment; and an essential partner in business transformation, resulting in excellent customer service, strong partnerships, secure and reliable infrastructures, and cost efficient performance."

The municipality's ICT mission is to, "provide the information and communication technology leadership and governance that enables the programs and operations of the Newcastle Municipality to deliver their respective missions in an efficient, effective, and secure manner through the use of ICT solutions and services". This means that it is ICT's duty to foster an environment in which information and technology is used to support and enhance business decisions and operations.

ICT is guided by the following six principles that provide a broad guidance for IT planning and architecture decisions into the future:-

- Support the Newcastle Municipality's mission statement by delivering information management solutions in a professional, effective, and prompt manner;
- Use Enterprise Architecture to make informed business decisions;
- Ensure that all Department-specific IT goals and investments are customer-focused, result-oriented, and cost-effective;
- Promote sharing and implementing best practices, collaborating on projects and goals, and ensuring interoperability across the municipality;
- Provide a high-quality, innovative and secure IT infrastructure that proactively assures confidentiality, integrity and accessibility, and protects the municipality's data and information systems; and
  Attract, develop, and retain a competent, creative, and highly motivated workforce.

c) ICT Services Structure.

In order to support the 800+ municipal systems users and 61 Councillors the ICT unit is structured to support the below functions. The ICT unit is headed by the Chief Information Officer (CIO). The CIO is responsible for the development of the municipality's ICT policies, procedures, standards, guidelines and frameworks that will ensure that all ICT functions are structured and conform to international standards. The CIO is also responsible for all ICT administration, liaising with the all internal and external stakeholders, providing support services to the ICT Steering Committee.

There are 2 sections within ICT; Technology Infrastructure section is responsible for all infrastructure related services and ensures that service on all 25 municipal sites (including libraries, water services sites, fire stations, electrical services, roads and storm-water services etc.):-

- The management and monitoring of all municipal servers;
- Management and controlling of municipal system changes;
- Management and tracking of all incidents logged by municipal users;
- E-mail management and Internet connectivity;
- Ensuring that all IT services are recovered in record times in the case of a disaster;
- Ensuring that all municipal data is backed-up and stored in a secure environment off-site;
- Ensuring that that the network infrastructure is stable and reliable for transferring of data and information;
- Ensuring the integrity, confidentiality and accessibility of municipal data and information through the implementation of various ICT security controls;
- Supply and maintenance of the municipality's telecommunications systems; and
- Procurement and support of all municipal ICT assets (hardware and software).

The ICT Applications and Projects section is responsible for:-

- Analysis, design, procurement or development, and implementation of all municipal systems;
- Municipal data warehouse design and administration;
- Municipal website and intranet development, management and hosting;
- Business process analysis and re-engineering;
- Documentation of all automated business processes in compliance with international standards;
- ICT project management and project management methodology establishment;
- Development a municipal Enterprise Architecture and Master Systems Plan.

d) Bridging the Divide.

As a way to bridge the digital divide in Newcastle, NLM will be introducing participation mechanisms to enhance communication, accountability, responsiveness, transparency and provide for active citizenship. This will be done through the provision of basic ICT

Maturity e-governance services such as SMS alerts of council meetings, standing committees etc., ICT enabled customer satisfaction surveys, the provision of online payment of rates, utilities, traffic fines etc., SMS alerts for accounts due and service disruption warnings, electronic newsletter for the community.
Successful implementation of this phase will see more of such e-governance services being offered to the community. In the future, the municipality plans to take advantage of the National Broadband Policy of South Africa which will guide NLM to ensure that all places in and around Newcastle have internet connectivity. Broadband infrastructure is central in achieving the goal of digital inclusion, enabling universal, sustainable, ubiquitous and affordable access to ICTs by all, and providing sustainable connectivity and access to remote and marginalized areas within the NLM. This is paving a way for Newcastle as the City ushers its way into the 4th Industrial Revolution.

3.12.16. Integrated Support Services.

The Council Support, general administration and ancillary services component of Municipal Transformation has developed a vision to, "Establish Newcastle Local Municipality as a centre of excellence by 2035, through first class support services, innovative quality service, and an environmentally friendly workplace".

The mission that has been set out to realize the vision is, "We commit to provide the municipality with quality service through innovative strategies for meeting management, dissemination of quality information, and provision of a clean and environmentally friendly workplace".

3.12.17. Municipal Transformation and Organisational Development SWOT Analysis.

STRENGTHS	WEAKNESSES
• Committed and youthful staff. • Innovative. • Good team spirit. • Commitment to research and development. • Shared departmental objectives.	• Shortage of permanent staff. • Reliance on acting and/or seconded individuals. • Limited tools of trade. • Reactive approach to delivery of services. • Archaic work processes.
OPPORTUNITIES	**THREATS**
• Introduction and/or enhancement of systems, processes and programs. • Introduction of Individual Performance. • Management System to encourage and reward good performance.	• Negative attitude towards. • Organisational Development and Human Resource Development. • Lack of cooperation from user departments.

STRENGTHS	WEAKNESSES
• Review of organisational structure and job evaluation. • Reduction of Employee-related costs. • Develop abilities and increase job satisfaction. • Enhanced governance support services.	• Lack of cooperation by organized labour. • Misinformation about departmental functions and intentions. • Political instability leading to governance structures not sitting.

3.13. SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT.

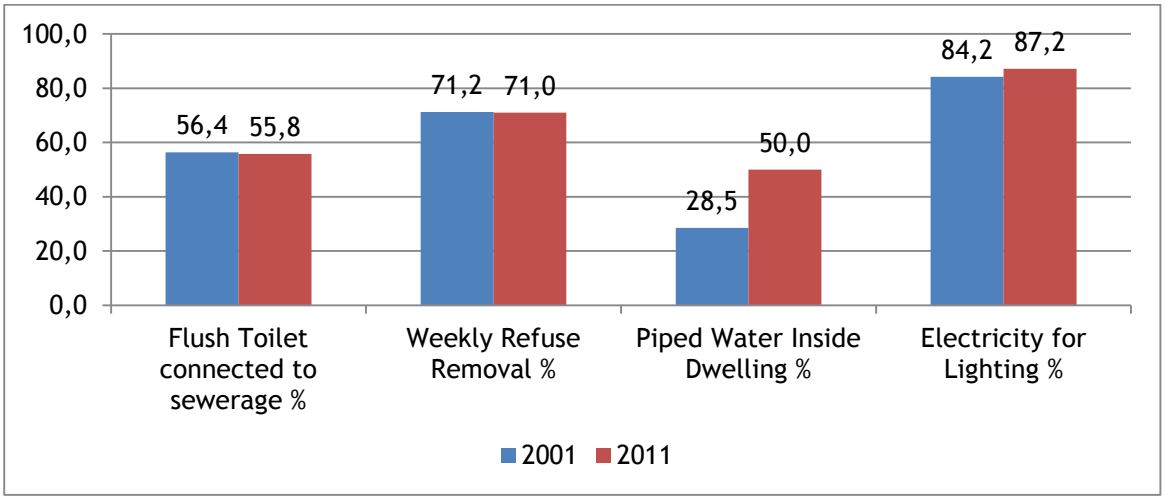
NLM is one of the few local municipalities that have the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation. As indicated under section 3.1 Demographics and Socioeconomic Profile and now to be shown underneath, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regards to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth. However, the standard and level of service differs significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment.

We also note that NLM area was affected by storms in the 17/18 financial year. The early estimates of flood damages on the roads due to storms in and around the Newcastle Township areas stands at approximately R 53 million. Attempts are being made by the municipality to source funding for the repairs of roads and stormwater.

3.13.1. General Access to basic Services.

As indicated on Figure 12 below, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regards to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

Figure 14: Household Services.

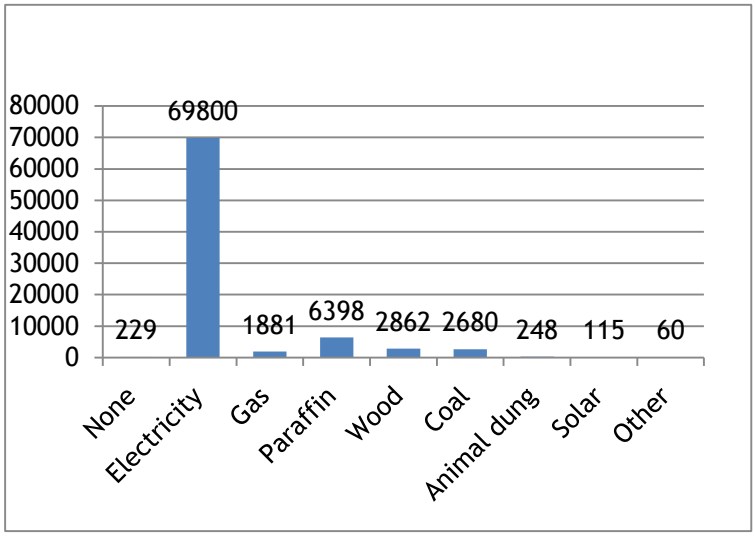


Source: Stats SA, 2011

However, the standard and level of service differs significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment.

3.13.2. Sources of Energy.

Figure 15: Sources of Energy for Cooking.



The municipality, with the assistance of ESKOM, has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc. has declined substantially. However, there are few areas where lack of services have been reported. These include informal settlements and areas that were settled after the electrification of the settlement.

3.13.3. Access to Water.

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of fragmented spatial development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortages in this regard. According to the Newcastle Municipality Water Services Develop Plan (2013/14), there are four categories of settlements serviced with water within the municipal jurisdictional area and these are as follows:-

- Urban – Formal towns within the vicinity of urban cores;
- Urban – Former residential township areas;
- Urban – Informal settlements (squatter camps); and
- Rural – Small villages with a population less than 5000.

Severe backlogs have been reported in rural settlements where the level of backlog is high. The high backlogs are mostly concentrated in Ward 1 where there is a moderate percentage of households with inadequate water services. A review of the 2011 Stats SA Census Data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35%) still obtain water beyond a 200m radius in the form of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

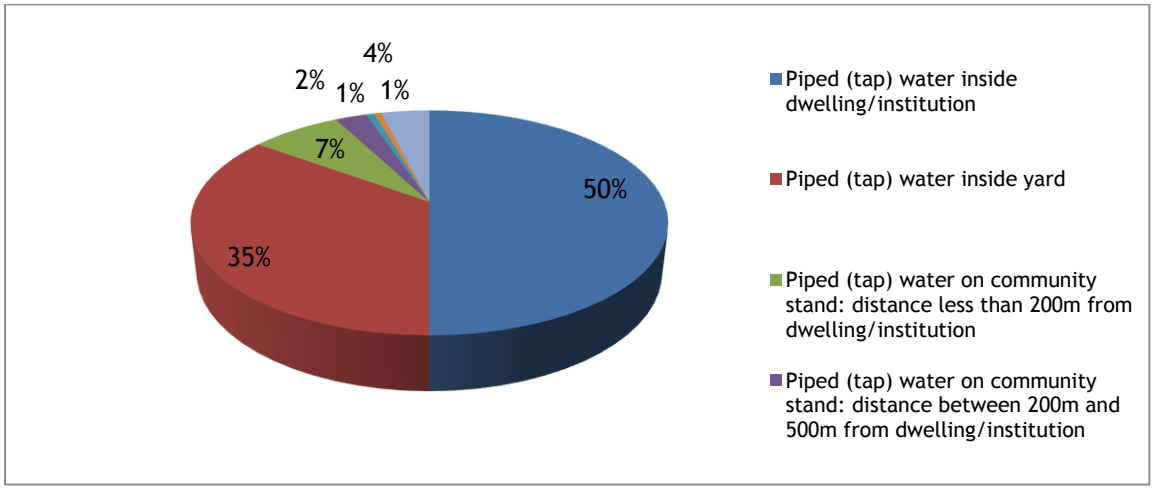
Table 22: Level of Access to Piped Water.

ACCESS TO PIPED WATER	NO. OF HH

Piped (tap) water inside dwelling/institution	42 126
Piped (tap) water inside yard	29 508
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	6 159
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	2 142
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	562
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	485
No access to piped (tap) water	3 290
Unspecified	-
Not applicable	-
GRAND TOTAL:	**84 272**

Source: Stats SA, 2011

Figure 16: Level of Access to Water (Stats SA Census Data 2011).



The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (2013/14) indicates that there has been a reduction of 18% in water backlogs between the year 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below:-

Table 23: Access to Water by Electoral Wards.

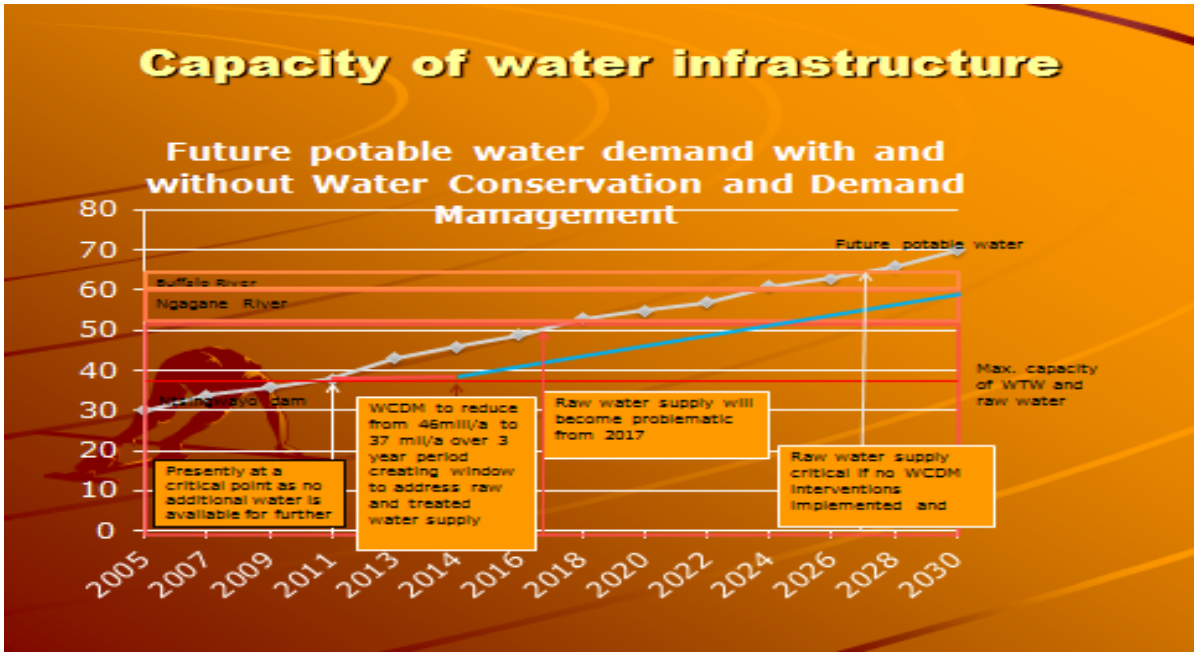
Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Municipal Wards	851	933	452	93	94	258	20	341	87
Ward 1	3 242	6	1	2	1	1	5	5	20
Ward 2	2 294	16	1	3	9	12	8	7	34
Ward 3	2 789	6	-	7	3	1	8	13	9
Ward 4	2 873	7	1	1	3	1	6	4	8
Ward 5	3 821	82	11	29	5	7	55	552	249
Ward 6	3 216	32	2	15	6	5	20	93	239
Ward 7	1 765	17	-	1	2	-	5	49	22
Ward 8	3 632	11	-	3	-	-	4	5	70
Ward 9	2 108	2	-	1	1	-	5	7	38
Ward 10	2 436	8	4	1	4	-	12	4	32
Ward 11	1 701	31	7	2	1	-	7	14	68
Ward 12	1 667	3	3	1	-	-	2	7	6
Ward 13	3 287	13	5	2	2	-	-	89	214
Ward 14	1 444	216	27	5	12	4	13	280	212
Ward 15	2 613	117	2	7	2	-	5	17	345
Ward 16	2 368	8	-	-	-	-	25	1	7
Ward 17	2 148	99	-	1	-	-	20	29	277
Ward 18	2 215	21	7	1	6	1	2	230	22
Ward 19	3 705	41	1	4	-	-	12	11	17
Ward 20	2 583	118	5	76	2	12	17	149	136
Ward 21	1 949	1	-	2	-	-	5	4	1
Ward 22	1 800	7	-	2	-	-	11	112	9
Ward 23	2 906	25	2	1	2	-	3	4	17
Ward 24	3 382	301	1	2	-	5	6	-	13
Ward 25	1 601	4	-	1	1	-	2	1	8
Ward 26	2 453	6	-	-	2	-	5	1	14
Ward 27	1 633	2	5	1	4	1	1	7	8
Ward 28	2 497	2	-	2	1	-	8	17	8
Ward 29	2 576	13	2	7	5	1	5	87	24
Ward 30	2 171	87	4	1	1	2	9	270	81
Ward 31	75 725	2 235	545	278	169	312	305	2 411	2 292

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Grand Total	**75 725**	**2 235**	**545**	**278**	**169**	**312**	**305**	**2 411**	**2 292**

Source: Stats SA, 2011

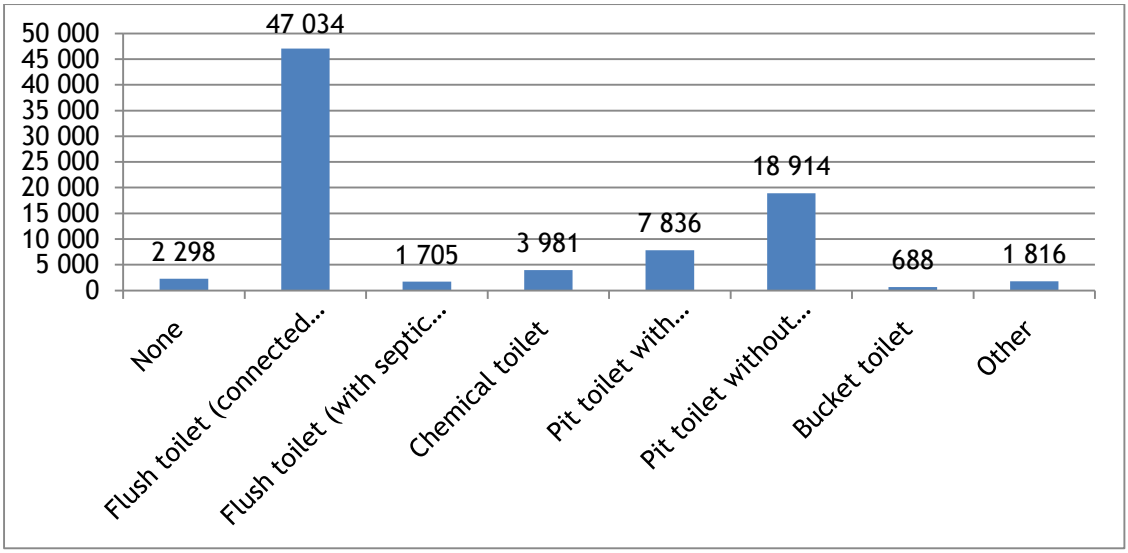
The graph below illustrates the demand for water and indicates the crisis that might face NLM is water issues are not given priority within LM.

Figure 17: Capacity of Water Infrastructure



3.13.4. Access to Sanitation.

Figure 18: Access to Sanitation



Source: Stats SA, 2011

Similarly, the peri-urban and rural areas such as the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1.0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaauwbosch and considerable sewage flows are expected once the waterborne sewerage system is connected. A breakdown of the level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on the bucket system is a cause for concern and will be attendant to with immediate effect.

Table 24: Access to Sanitation by Electoral Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 1	168	456	343	87	136	1777	36	124
Ward 2	2	3259	14	-	2	-	2	2
Ward 3	19	2339	2	-	10	6	1	6
Ward 4	-	2802	9	-	15	4	-	5
Ward 5	2	2888	3	-	3	2	-	7
Ward 6	440	28	23	583	1577	1993	22	145
Ward 7	329	804	38	170	1151	891	241	4
Ward 8	21	1673	99	4	53	2	4	7
Ward 9	337	1917	52	128	702	546	10	32
Ward 10	62	2075	19	-	2	1	1	2
Ward 11	18	1649	42	283	9	122	7	372

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 12	42	17	12	21	21	1580	2	137
Ward 13	7	1505	1	6	5	148	10	7
Ward 14	14	75	13	422	1180	1851	42	15
Ward 15	85	7	5	35	44	1868	7	163
Ward 16	156	18	12	28	91	2659	19	127
Ward 17	17	2169	17	1	3	138	28	37
Ward 18	65	333	49	160	143	1691	18	117
Ward 19	31	1006	20	559	253	617	3	17
Ward 20	68	3253	201	17	9	17	168	58
Ward 21	24	1970	240	127	88	620	4	25
Ward 22	2	1878	53	2	-	-	22	3
Ward 23	1	1608	270	2	1	12	6	39
Ward 24	17	2864	19	1	21	2	3	34
Ward 25	120	2444	10	4	14	1040	5	73
Ward 26	11	1600	2	-	-	1	-	3
Ward 27	6	1651	19	139	481	6	6	173
Ward 28	5	1643	10	1	2	-	-	-
Ward 29	36	1325	71	186	675	230	3	8
Ward 30	78	1724	18	118	328	383	13	57
Ward 31	115	54	18	897	817	707	3	16
Grand Total	**2298**	**47034**	**1705**	**3981**	**7836**	**18914**	**688**	**1816**

Source: Stats SA, 2011

3.13.5. Water Services Delivery Plan

Although the NLM developed and adopted a Water Services Development Plan in 2009, the last review was done in (2013/14) due to the new requirement from DWS for a web based WSDP. NLM is in the process of developing module 1 of the web-Based WSDP. The main crises at NLM was failure to develop a Water and Sanitation Master Plan which has resulted adhoc planning for water infrastructure development in the WSDP. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlogs through the capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:-

- Developing a Water and Sanitation Master Plan

- Annual review of the Web based WSDP for long term plan to guide investment in water infrastructure in the short to long term.
- Maintenance of the existing infrastructure.
- Funding for maintenance and new water infrastructure projects.

3.13.6. Raw Water Sources.

The supply of raw water within the NLM is as follows:-

- The Buffalo River Abstraction Works through a 32km long 800mm diameter steel pipe to the Ngagane Water Purification Works. The average supply is 10 Ml/day;
- The Ngagane River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies an average of 20 Ml/day; and
- The Ntshingwayo Dam through two pipes, an 800 mm concrete pipe which is 18km long and a 700mm diameter steel pipe which is 13km long. Both of these supply a combined total of 92 Ml/day.

Ntshingwayo Dam, situated on the Ngagane River, has a storage capacity of 194 million m^3. The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million m^3/a (57Ml/d) is available at Ntshingwayo Dam for further allocation to Newcastle which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

However, the current available yield from the Ntshingwayo Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Buffalo system would be required in the time horizon 2015 – 2025 without any agricultural development because of the growth in the domestic and industrial demand within Newcastle. Therefore, the proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015 – 2030.

Table 10 below indicates the expected peak demand for the next 25 years with the expected shortfalls.

Table 25: Demand Forecast

Year	Peak demand (Ml/day)	Supply			Total	Surplus (shortage) (Ml/day)
		Ntshingwayo Dam	Ngagane river	Buffalo river		

2011	104	70	18	15	103	(1Ml/day)
2014	128	70	18	15	103	(25Ml/day)
2020	153	70	18	15	103	(50Ml/day)
2025	167	70	18	15	103	(64Ml/day)
2030	190	70	18	15	103	(87Ml/day)
2035	213	70	18	15	103	(110Ml/day)

From the table above it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that, the installation of a new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25Ml/day. Therefore it is evident that the situation is in dire need of an intervention. This could be a conservative figure as the supply line to Utrecht is completed. New bulk infrastructure is being provided to supply water to a planned development called Viljoen Park. The Stafford Hill area, comprising of 8000 households, is also to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for JBC.

3.13.7. Potable Water Treatment Facilities.

During February 2013, Newcastle was awarded with a **BLUE DROP** water status (quality) accolade. The town of Newcastle has three WTWs with two plants having recently been decommissioned. The Ngagane WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Ngagane Water Treatment Works is located next to the Ngagane River on the south-eastern side of Newcastle and is operated by uThukela Water (Pty) Ltd on behalf of Newcastle Municipality. The total peak hydraulic design capacity of the Ngagane WTW is 105 Ml/d. The average annual flow rate of the WTW is estimated to be 103.3 Ml/d.

The average annual capacity of the water treatment works is not sufficient to meet the future water requirements (from 2012). An overall score of 95% is required to achieve a blue drop status. During 2010, UThukela Water achieved a score of 97%.

3.13.8. Water Supply and Reticulation.

Six pumping mains supply purified water to two bulk storage reservoirs, the Braakfontein and Hilldrop reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and 600 mm diameter GRP pipe supply the 78Ml Braakfontein reservoirs. The 29Ml Hilldrop Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Braakfontein reservoirs then feeds the following:-

- Stafford Hill and Madadeni through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter;
- 6Ml Blaauwbosch reservoir that in turn feeds Blaauwbosch;

- The Waterval Reservoir and Ngagane; and
- Osizweni Township through a 3.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6Ml reservoir at Blaauwbosch and the other serves the 2Ml tower at Osizweni.

The Hilldrop reservoirs feed the Newcastle CBD, the suburbs and industrial areas. The JBO Node is fed from the Braakfontein reservoirs. The average consumption for the whole of Newcastle is estimated at 75Ml/day. The consumption figures from the Braakfontein reservoirs are about 46Ml/day. The Braakfontein reservoirs therefore have adequate capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional capacity can be realized.

The increase in demand for the townships of Madadeni, Osizweni, Stafford Hill and Blaauwbosch including the Newcastle West area is necessitating the need for an additional 20Ml reservoir at the Hill drop reservoir site including an additional 45Ml reservoir for the Braakfontein reservoir site.

3.13.9. The Condition of Water Infrastructure.

The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R500 million rand. Investigations also need to be carried out in how to improve the pressure management in the Arbour Park, Lennoxton areas where low pressures are being experienced.

A new pumping main from Ngagane Plant to Braakfontein Reservoirs is needed. The existing two lines do have sufficient capacity for the medium term but require maintenance and to decommission one line to carryout repairs will result in inadequate supply owing to the insufficient storage capacity at Braakfontein reservoirs.

3.13.10. Water Losses.

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%. The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day. The average consumption per household in Madadeni is 44.6kl per month with almost zero payment and no credit control interventions. The situation is not any different in Osizweni where the total number of households is in the order of 27,200. An amount of R24 million has been approved by MIG to reduce the non-revenue water in Madadeni although a R150 million will be required to complete the programme. The programme will include the repair of private leaks and install flow regulators to each household in Madadeni and Osizweni thereby creating an additional 26Ml per day allowing a window period for the construction

of the raw water supply line from Ntshingwayo dam to the Ngagane WTW and simultaneously increasing the capacity of the Ngagane WTW's. Without these interventions there will be insufficient water to supply for any new developments.

3.13.11. The need for a new water source.

UThukela water developed a raw water bulk Master plan that has several options for water supply from 2019 and beyond 2030. Private enterprises are proposing Ncandu dam which also is ok. The current spatial development of NLM will determine its current demand for water supply. Growth and development will increase the demand for water supply in the future. Amongst other things the factors that will contribute to the growth in demand are as follows:-

- Population growth;
- Economic Growth;
- Spatial development;
- Increased level of service; and
- Development of new wet industries.

3.13.12. Water demand zones.

According to the table below, Newcastle is divided into 5 demand zones and these are essential for greater clarity and insight as well as modelling accuracy. The demand zones are specifically identified through a combination of parameters such as:-

- Topography;
- Sewage and storm water drainage areas;
- Existing water and sewer infrastructure;
- Current spatial development profile; and
- Development potential.

Based on the table below, Newcastle Central has the highest residential demand for water at 64 489 (57.88%), followed by Newcastle East at 23 951 (21.49%) and Town at 18 948 (17.00%). In terms of the non-residential buildings, Town has the highest concentration of water demand at 1 272 (74.03%).

Table 26: NLM Water Demand Zones.

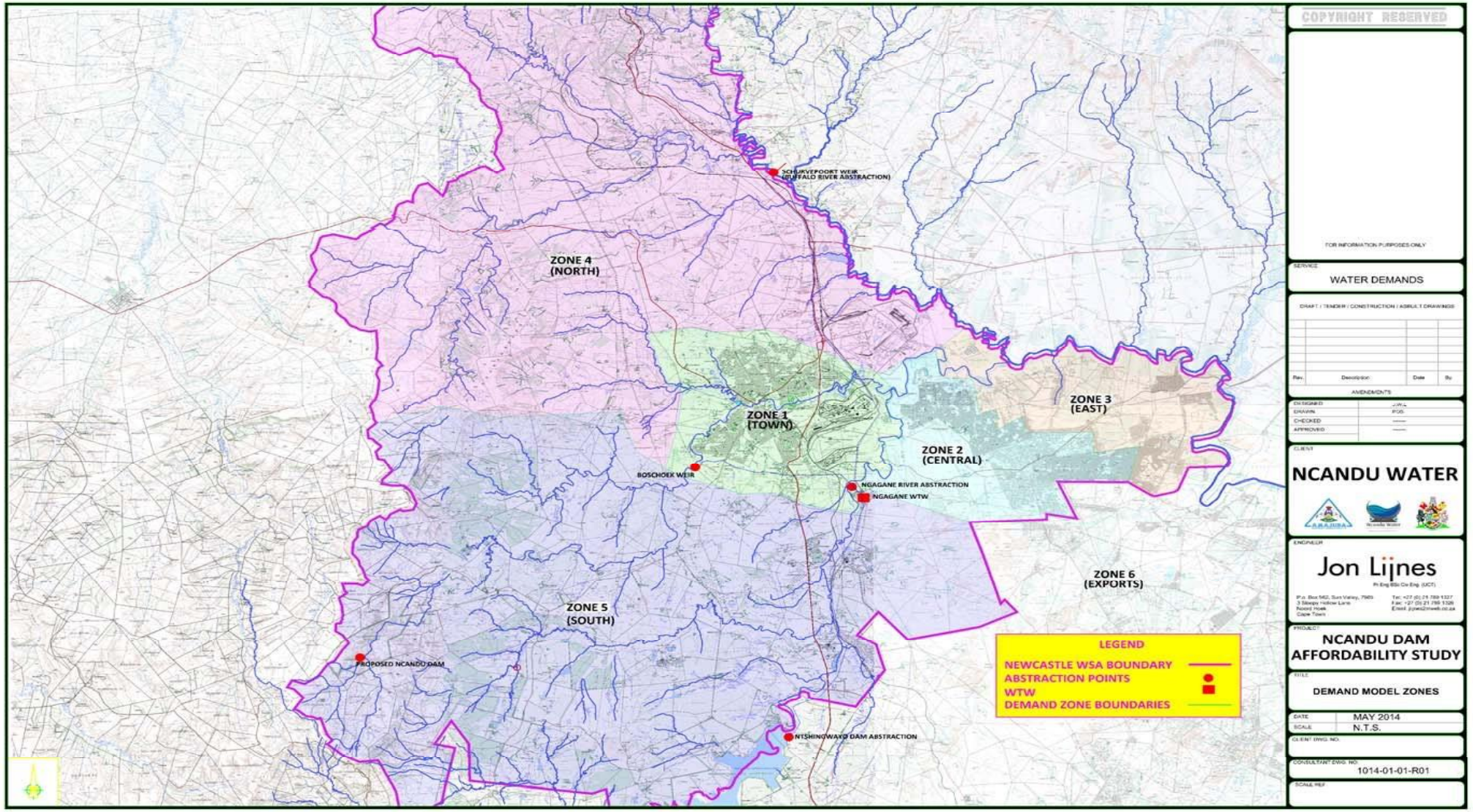
ZONE NUMBER	DEMAND ZONE NAME	RESIDENTIAL DWELLING	NON-RESIDENTIAL BUILDINGS
1.	TOWN	18 948	1 272
2.	CENTRAL	64 489	291
3.	EAST	23 951	17
4.	NORTH	1 747	113
5.	SOUTH	2 269	25
TOTAL:		111 402	1 718

Source: Ncandu Dam Affordability Study (2014).

3.13.13. Reliability of existing raw water sources.

In terms of the existing water sources, it is important to note the following:-

- The yield of Ntshingwayo Dam has probably declined to the point where all allocated water rights cannot be exercised. This is due to silting-up of the dam, which thus continue to reduce the yield of the dam. Furthermore, the sluices of the dam are also reducing the dam's ability to reach maximum fill capacity of 90% hence further reducing the yield of the dam. In short, Ntshingwayo Dam has been operating in a stressed state for some time, despite average rainfalls within the catchment.
- Both the Ngagane and Buffalo rivers have run dry on a regular basis in the past decade. This has hampered upon NLM's ability to abstract its full allocation of water from these sources, which has exacerbated the existing water supply shortages.



Map 6: Demand Zones of Newcastle Local Municipality (Ncandu Dam Affordability Study – 2014).

a) Ncandu Dam.

It is assumed that the raw water and WTW losses should fall between 7.5% and 12.5% of the treated water supplied. This implies that the raw water supply required should be 10% or more on average than the demand to be supplied from the WTW. This loss is to allow for losses on the raw water supply system (scouring of pipelines, leaks, pipe breaks etc.) and the operational losses experienced at the WTW (backwashing of filters, de-sludging, cleaning of reservoirs etc.) The proposed Ncandu Dam, in conjunction with the current water sources, would ensure sufficient water for Newcastle for the foreseeable future, even if no water loss reduction program is implemented. The implementation of the water loss reduction program would achieve the reduction of recoverable losses by 70%, however, in a period of 10 years.

Table 27: Water Loss Reduction Program.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Period Reduction	-	5%	5%	10%	15%	15%	15%	10%	10%	10%	5%
Cum Reduction	-	5%	10%	20%	35%	50%	65%	75%	85%	95%	100%

Source: Ncandu Dam Affordability Study (2014).

The table above depicts the average daily water demands that will be the resultant of successfully implementing the Water Loss Reduction Program. With the implementation of a loss reduction program, the existing sources would begin to become sufficient by 2018 and would then require supplementing by 2028. However, this is based on the expected scenario which is totally different from the High Demand Scenario whereby the existing resources are insufficient even with the implementation of a water loss reduction program. In light of the above it is therefore vividly clear that there is an urgent need for obtaining an additional water source in order to supplement the current sources of water. The provision of Ncandu Dam would ensure sufficient water for Newcastle well beyond 2034 with the implementation of the water loss program.

3.13.14. Sanitation.

NLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 13 481 households that do not have waterborne sanitation. This need is especially evident in the MBO area.

3.13.15. Condition of existing infrastructure.

The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water

borne sanitation. The new areas to be developed include Blaauwbosch and Viljoen Park. Stafford Hill has been provided with sewer reticulation where 8,000 existing VIP toilets are to be converted to flush toilets. Madadeni has water borne sanitation for all 15,000 households although the structures of 5,000 households are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection.

In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Aviary Hill is operating at full capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were two properties in Lennoxton being serviced by the old bucket system. Septic tanks have since been provided for these properties.

3.13.16. Waste Water Treatment Works.

The waste water and sewage from the Newcastle Municipality is currently treated at three major plants:-

- **Newcastle (KwaMathukuza) Waste Water Treatment Plant:** The works currently serves the Newcastle Central Business District, the industrial and surrounding areas. The works has a design capacity of 25 Ml/day and is currently running at 20 Ml/day Average Dry Weather Flow. The Works have a spare capacity of 5 Ml/day and will serve future housing developments at Viljoen Park and Tuam Farm.
- **Osizweni Waste Water Treatment Plant:** The Works' catchment is the greater Osizweni Township and the surroundings. The current capacity of the Works is 14 Ml/day and the current hydraulic loading is 15 Ml/day. The Works is currently running at capacity in terms of hydraulic loading, but the biological loading is below design capacity.
- **Madadeni Waste Water Treatment Works:** The catchment area for Madadeni WWTW is the Madadeni Township, Ithala Industrial area, and the surrounding areas.

The design hydraulic loading is 12 Ml/day. The Works are currently operating at 15Ml/day. However, during the wet season, the flows peak at between 25Ml/day to 30Ml/day due to high infiltration. Plans are underway to increase the hydraulic capacity to 35Ml/day. The project is scheduled for 2010. It is envisaged that future flows from Blaauwbosch, Johnstown and Cavan will be directed to Madadeni WWTW.

3.13.17. Operation and Maintenance Plan for Water and Sanitation.

Currently the municipality does not have the approved O&M Plan for water and sanitation, this will be developed on the municipality has completed its Water and Sanitation Master Plan.

3.13.18. Electricity - Sources of energy.

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is provided by International Power South Africa (IPSA) from gas turbines. IPSA has resumed operations at its cogeneration plant at Newcastle. The 18MW combined heat and power plant is now supplying electricity to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010.IPSA has successfully restarted operations at its cogeneration plant at Newcastle, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited capacity in the Newcastle East to accommodate the planned housing and commercial development.

3.13.19. Reticulation.

The municipality manages the electricity networks for the Newcastle West area (the CBD and surrounding suburbs). The outlaying townships and rural areas are supplied by Eskom. The electricity backlog in NLM is estimated at 11.3%. In terms of electricity issues, the need to investigate pre-paid electricity in Newcastle license area is highlighted. Electricity metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts. There is no electricity master plan and therefore long term planning is not in place from a capacity point of view. Electricity losses are currently estimated at 9%. Currently, Eskom is undertaking a study which will indicate the energy capacity required for NLM if we are to pursue with future developments. In addition, the Newcastle Municipality is investigating the viability of installing solar system in Normandien and some parts of Ingogo (portions where MV lines are far from houses). These areas were identified for non-grid electricity due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electricity that is purchased from Eskom while 6.5% run at a lost. In order to remedy the situation the municipality has begun with the auditing of electricity meters and the process is estimated to be completed by end of June 2012. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electricity loss challenges. However, it must be noted that the installation of smart-meters will cost the NLM an estimated amount of 80 million. In an attempt to address electricity backlogs, there are a number of ongoing electrification projects in the municipality. There are also a number of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation between these two entities are required. There are plans underway to take over the Eskom licensed areas in the East such as Madadeni and Osizweni in order to increase the revenue for the municipality. Provisions for capacity challenges are being addressed through the

revised organogram in order to establish a new electricity department separated from Technical Services.

3.13.20. Free Basic Electricity.

Another challenge is the roll out of Free Basic Electricity within the ESKOM license area, which is problematic due to systems compatibility with both electricity providers. Further to this, maintenance, upgrade and rehabilitation of electricity infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue. In terms of national government mandate, NLM is meant to provide 50Kw of free basic electricity to indigent households including areas licensed under Eskom. Currently, there are people registered as indigents who qualify for free basic electricity. This cost the municipality the estimated amount of over R5 million per annum. There is a number of on-going electrification projects in the municipality especially in rural areas. These include Bosworth at about 379 households, Drycut which is about 573 households, Roypoint at about 100 households and Charlestown at about 115 households.

Table 28: Access to energy for Cooking.

	No. of Households
Electricity	69800
Gas	1881
Paraffin	6398
Wood	2862
Coal	2680
Animal dung	248
Solar	115
Other	60
None	229
Unspecified	-
Not applicable	-

Source: Stats SA, 2011

Grand Total	84272

Table 29: Access to energy for Heating.

	No. of Households
Electricity	57864
Gas	1624
Paraffin	2663
Wood	4463
Coal	7392
Animal dung	420
Solar	131
Other	13
None	9701
Unspecified	-
Not applicable	-

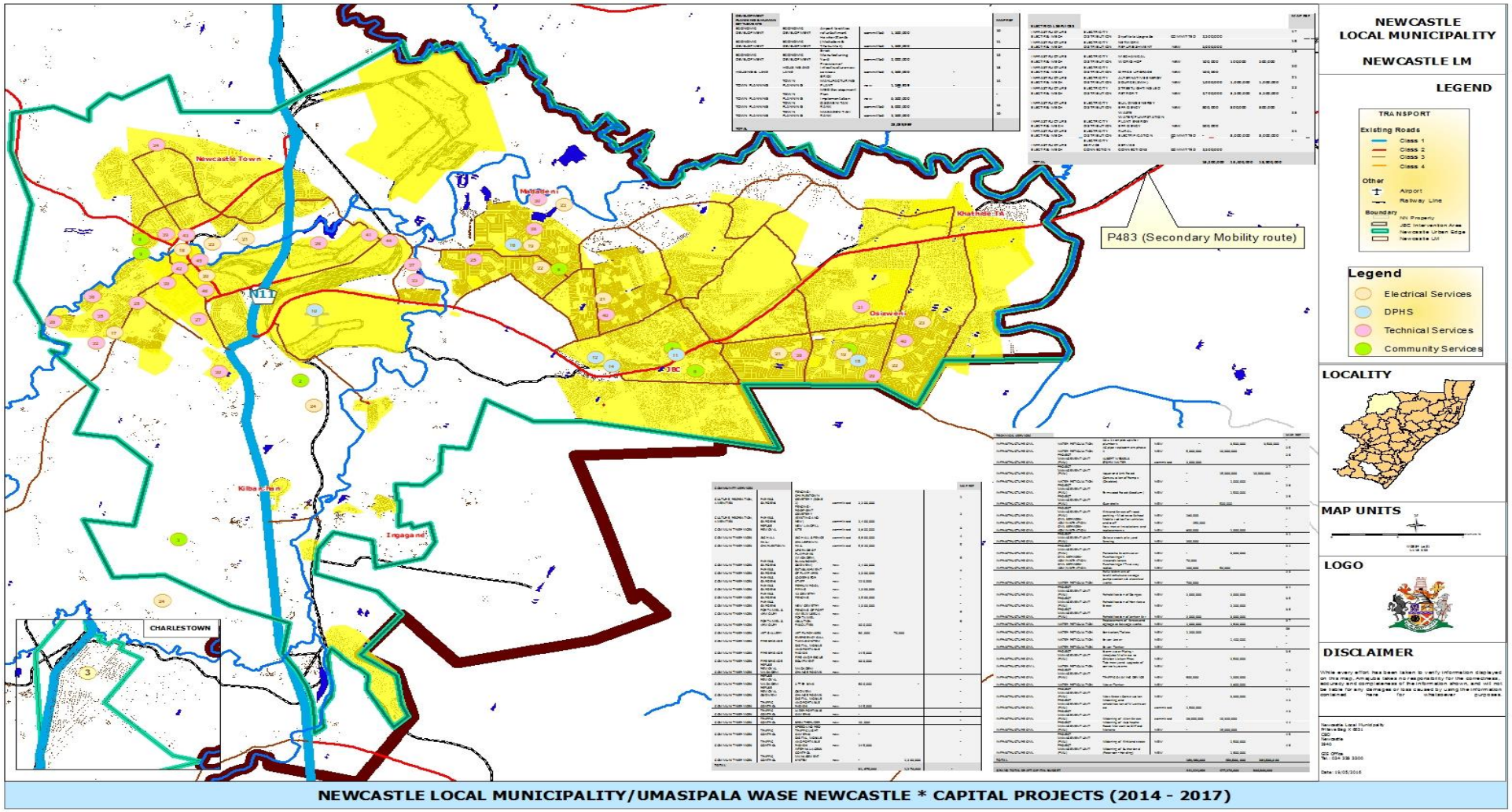
Source: Stats SA, 2

Grand Total	84272

Table 30: Access to energy for Lighting.

	No. of Households
Electricity	73449
Gas	402
Paraffin	629
Candles (not a valid option)	9343
Solar	147
None	302
Unspecified	-
Not applicable	-
Grand Total	84272

Source: Stats SA, 2011



Map 7: Newcastle Municipality Capital Projects (Source: NLM Final SDF 2016/17).

The map above is depicting the capital projects that were initiated by the Department: Electrical Services in the 2014/15 financial year. The projects include, amongst other things, projects towards rural electrification, upgrading of the current level of electricity provision in some settlements such as Siyahlala La, the provision of street lighting, and also service connections. In terms the rural electrification projects, the beneficiaries are the Roypoint Settlement, and the Amajuba Forest in naming just a few. A number of wards are to receive street lighting LED retrofits and these include wards in both Madadeni and Osizweni such as ward 9 and ward 28.

3.13.21. Roads, Stormwater and Public Transport.

a) Roads.

The total road network in the Newcastle east and west is 1119 KM of which 570 are tarred and 549 are unpaved. The internal streets network in the rural areas are predominantly dirt ridden and are therefore generally in a bad state, particularly during the rainy season. Most of these roads are poorly maintained and thus limiting transport due to deteriorating roads. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. In order to ensure that the various classes are maintained at the required standard it is necessary for the network to be inspected at regular intervals.

The desirable re-gravelling frequency is every 5 years. One of the aims of this management plan is to ensure that the surface of all unpaved roads as per the road classification and the levels of service are maintained in a condition that provides all weather access. The re-gravelling programme has a substantial funding gap with a frequency of 1 years and only the most needed road will be included in the gravel re-gravelling programme.

The IDP also indicates that the operational budget has not significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. The MBO is a priority area for road upgrading.

b) Stormwater.

There is no storm water master plan resulting in *adhoc* projects being identified where complaints are received. The maintenance of the road drainage system includes such work as cleaning out and repairing culverts, excavating inlet and outlet drains, table drains, mitre drains, batter drains and flushing subsoil drains. With the recent floods in the Newcastle area, problems have been experienced in the CBD area where concrete pipes are collapsing owing to fatigue from aging and heavy traffic loads. Victoria Mall area has been identified as a problem area as flooding of private property is occurring at various low points. Storm water damage to the environment is receiving little

attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

c) Public Transport.

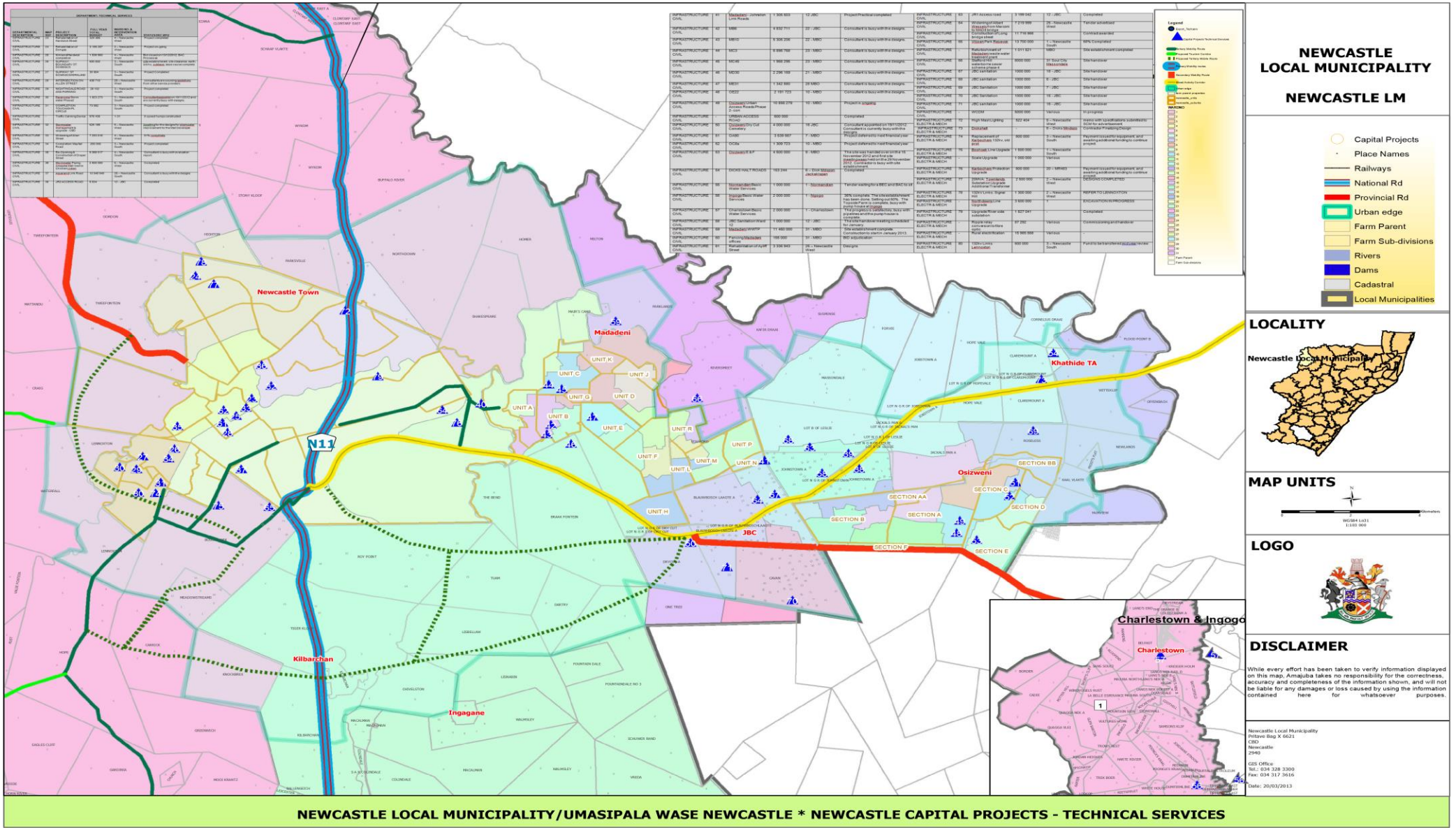
The majority of public transport facilities in the Newcastle Municipality area is informal and requires serious upgrading. Table 12 below provides a summary of the state of the existing public transport facilities audited in Newcastle.

Table 31: Taxi Ranks

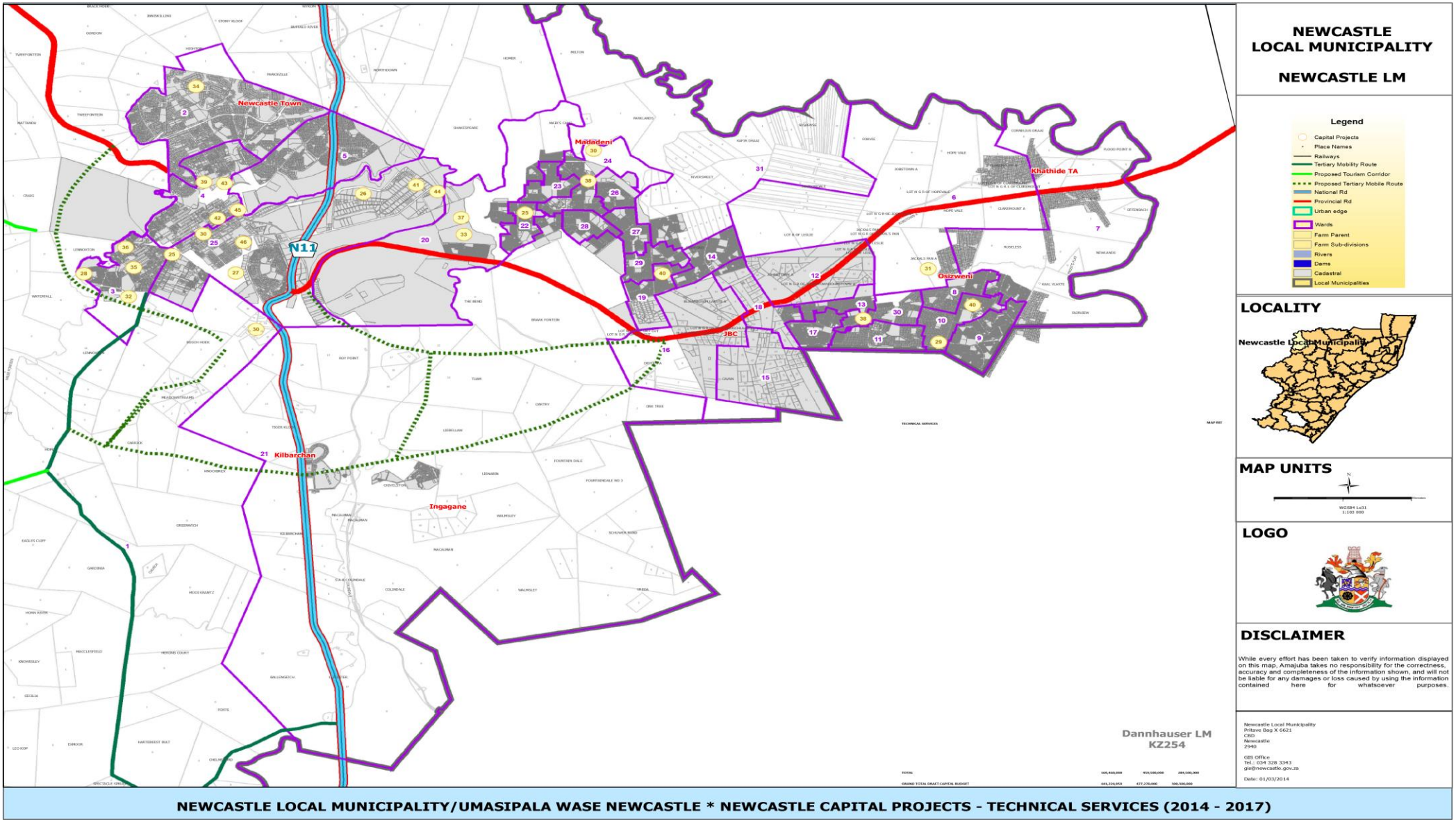
FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Osizweni Formal Taxi Rank	Formal	Municipal	Off Street
Makhanya Informal Taxi Rank	Informal	Municipal	On street
Top Rank Informal Taxi Rank	Informal	Municipal	On street
9 Mile Informal Taxi Rank	Informal	Municipal	Off Street
Moyomuhle Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Sec 4&5 Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Shoprite Checkers Informal Taxi Rank	Formal	Municipal	Off Street
Madadeni Court Informal Taxi Rank	Informal	Municipal	Off Street
Newcastle Formal Taxi Rank	Formal	Municipal	Off Street
Charlestown Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Ingogo Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Macadam Informal Bus Rank	Informal	Municipal	Off Street
Newcastle Formal Bus Rank	Formal	Municipal	Off Street

57% (203,9km) of roads in Newcastle being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Amajuba is on the N11 south of Newcastle with high traffic volumes on the main provincial road P483 between Newcastle, Madadeni and Osizweni. TheN11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.

The Newcastle municipality also owns a 6 km railway line which is currently being leased to NPC cement and Karbochem.



Map 8: Newcastle Municipality Capital Projects 1 - Technical Services (Source: NLM Final SDF 2014/15).



Map 9: Newcastle Municipality Capital Projects 2 - Technical Services (Source: NLM Final SDF 2014/15).

3.13.22. Solid Waste Management.

a) Current Waste Generation.

The Integrated Waste Management Plan (IWMP) of the Newcastle Municipality has been recently developed and is essential for the management of municipal solid waste (MSW). During the year 2004, a survey of landfill sites which was conducted by SiVEST from the Amajuba District Municipality, on behalf of the Provincial Planning and Development Commission, estimated that approximately 4 460 tons of waste was being disposed-off to the landfill every month making it approximately 53 520 tons/year based on estimates provided by NLM.

The IWMP from the Amajuba District Municipality (2003) estimates that approximately 103.3 tons and 79.6 tons of waste were generated from the Newcastle West and Newcastle East areas respectively per day for the year 2005. This implies a total of 182.9 tons per day for the combined area which is approximately 66 785.5 tons for the whole of 2005. Capita Waste Projections are used in order to quantify the amount of waste generated within Newcastle Municipality.

In terms of the KZN Department of Agriculture and Environmental Affairs, the following rates regarding the amount of waste generated within the Newcastle Municipality have been assumed:-

- Very poor areas (farm lands) – 0.03kg/person/day;
- Middle income – 0.35kg/person/day; and
- Middle to high income – 0.61kg/person/day.

With regards to the segments of the population that are designated as institutions, an average waste generation rate of 0.35kg/person/day is assumed.

b) Current Waste Collection.

Based on the figures presented on *Table 20* below, it is notable that a high majority of households within the Newcastle's jurisdictional area (71.04%) have their refuse being removed by the local authority/private company at least once a week. This is followed by households who are in possession of their own refuse dump and they constitute 23.21% of the total number of households. A very low percentage (3.91%) of the total number of households within Newcastle does not have access to rubbish disposal.

Table 32: Refuse disposal for households in Newcastle.

Type of service	No. of Households	%
Removed by local authority/private company at least once a week	59 868	71.04%

Removed by local authority/private company less often	321	0.38%
Communal refuse dump	775	0.92%
Own refuse dump	19 564	23.21%
No rubbish disposal	3 300	3.91%
Other	444	0.54%
Unspecified	-	-
Not applicable	-	-
Grand Total:	**84 272**	**100%**

Source: Stats SA, 2011

c) Landfill Site.

The refuse removal service caters for Newcastle West and Madadeni/Osizweni area. The majority of the households in Newcastle (71.04%) have access to refuse removal by the local authority/private company at least once a week which may be deemed as adequate refuse removal services. About 24.5% of the total number of households within Newcastle have access to inadequate levels of refuse removal services which ranges from households with only access to communal dumps, those that have access to their own refuse dump, and those that have their refuse being removed by the local authority less often. 3.91% of the total number of households have no access to any form of refuse removal what-so-ever. It is projected that per day waste generation will increase to 123.9 tons in the Newcastle West area and 97 tons in the Newcastle East area in 2015. The projected growth is linked to the projected population growth, and emphasises a need for environmentally friendly waste management practices.

The Newcastle Waste Disposal Site (WDS) is nearing the end of its lifespan and the process for developing a new disposal site is well underway with operations on the current waste disposal site projected to close in the year 2017. The current waste disposal site has been in operation since the year 1971 even though the operating permit was obtained in 1994. According to the permit, the site is a Class 2 disposal site.

The current waste disposal site accepts the following waste streams:-

- Domestic waste;
- Garden waste;
- Construction waste; and
- Commercial waste.

Commercial waste includes the waste that is generated by retail outlets and other related establishments. The waste disposal site also accepts hazardous waste discarded as part of the general waste stream in the form of oil cans from petrol

stations, batteries, weedkillers etc. However, relatively small quantities thereof and their co-disposal with general waste reduces their concentration and consequently their significance.

In terms of the operation of the waste disposal site, the trench method is used whereby waste is deposited in large excavations for landfill purposes. Daily cover material of 150mm is spread over the waste and compacted according to the motivation report for the operating permit application. Each cell is covered with a 1 meter depth of soil after it is filled with waste.

There is no formal pipework for leachate collection within each cell. Polluted and unpolluted stormwater runoff is collected in a cut of trench downstream of the waste pile. The cut off trench is unlined, and flows to a retention pond at the southern end of the site. The pond is not fenced off and is also unlined. Unpolluted stormwater emanating upstream of the site is collected via the road drainage system and does not flow onto the site. Three existing groundwater monitoring boreholes were present on the site. Two are operational whereas one is not functional.

d) Waste Stream Analysis.

The data from the waste stream analysis of the Newcastle Waste Disposal Site produce data that could be used to generate a waste of this incoming MSW stream that was captured. It is acknowledged and accepted that some variability or inconsistency in the results is expected due to the duration of sampling, number of samples and seasonal variation, however with the limited time and resources.

Consumption habit of high income groups include the purchasing of pre-prepared, packaged, take away and convenience foods producing more packaging wastes such as paper, plastic and glass which all contribute considerably to the recyclable fraction of both rural and urban waste stream. Waste Stream Analysis for Newcastle demonstrated that yes the percentage was the highest of recyclables among the high income however there was not much difference between all income groups.

Proportions of biogenic waste across all residential/household waste streams were consistent as well with their biogenic waste. The High income generating 35%, the middle income generating 30% and the low income generating 28%.
The recyclable metal consisting of beverage cans and perishable cans stemmed from the low income group having a percentage of 10%, middle income 5% and high income that of 7%. A large percentage of beverage cans are recovered from the waste disposal site by informal recyclers on site.

e) Airspace Requirements /Compaction Density Report.

Using the waste disposal information available for the landfill, a project of the airspace requirements were calculated from 2015. The projections were based on a waste

disposal growth rate of 2% as indicated by the population growth rates. The results are tabulated in the Table 1.1 below:-

Table1.1: Projected airspace requirement for the existing Newcastle WDS

	Historical Waste Disposal Quantity (tonnes/annum)	Airspace Requirement (m^3/annum)	Projected Airspace Requirements (m^3/ annum)			
	2015	2015	2016	2017	2018	2019
2% year on year growth	68.900	114.833	117.130	119.473	121.862	124.299
Cumulative volumes from June 2015			68.326	187.798	309.660	433.960

The above calculation is based on the following assumptions:

- The waste received at the landfill site, that 20% is pre-compacted on the truck and 80% is not compacted.
- The waste that in not compacted holds a waste density =0.15 tonnes/m^3 and received pre-compacted waste density = 0.4 tonnes/m^3
- Waste to be compacted to 0.6 tonnes/m^3 when placed in the landfill cells, by compacting with a steel wheeled compactor which is on site.

f) Maximum Rate of Deposition.

Projection is terms of the Population figures

2010	2015	2020	
445 319	454 225	463 309	1.9 % growth rate

The maximum rate of deposition, MRD pf waste after 3 years is calculated as follows:
Initial Rate of Deposition (IRD)
MRD= (IRD) $(1+ d)^t$
MRD = 265 T/day x $(1+ 0.02)^3$
MRD = 281.2 T/day
Therefore the size classification for the Newcastle Landfill site is Medium (M)

IRD based on average waste per capita figures
IRD= (Estimated Waste Generation) x (1 + pop.growth rate)^{4years}
IRD=(176.17) x ($1+0.02)^4$
IRD= 176.17 X1.0824
IRD=190.7T/day
IRD based on Municipal Records

IRD= ((Municipal volume x % un- compacted) x un-compacted density + ((municipal volume x %partially compacted) x compacted density))
IRD=((1325 m^3 x 80%) x 0.5T/m^3) + ((1325 m^3 x20%) x 0.40T/m^3)
IRD= 265T/day

g) Illegal Dumping.

The result of illegal dumping affects the other service sectors, as the illegally dumped waste blocks up storm water drains/manholes, which in turn results in damages to road infrastructure as water builds up at low points and causes flooding.

The existing vehicle fleet managing waste of the municipality is satisfactory except for the vehicle used for the clearing of illegal waste which is old and has high maintenance costs. There is a need for law enforcement with regards to the illegal dumping and enforcement of bylaws.

h) Future Waste Projects.

- Through co-operatives and the Local Economic Development Department, the waste tyre pyrolysis plant with a guaranteed feedstock of 30 tons of waste tyres per day is conclusively a viable project for pyrolysis.
- The establishment of a Materials Recovery Facility and encouraging more waste recycles processing plants will reduce the amount of waste entering the landfill site thereby increasing the lifespan of the site.
- The Development of the New Landfill Site is one of the most crucial developments within the municipality considering that the existing site is fast reaching its design capacity.
- A feasibility study for other waste to energy opportunities should be undertaken.

3.13.23. Education Facilities.

Access to education facilities seems to be generally good. The municipality is developed with about 118 schools including both primary and secondary schools. This can be broken down further as follows:

- 10 combined schools;
- 12 junior primary schools;
- 7 senior primary schools;
- 55 primary schools;
- 34 secondary schools.

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of threshold, NLM should have between 90 and 120 primary schools to accommodate the population size. There is thus a need for additional primary schools.

Table 33: Planning Standards for Educational Facilities

Facility	Catchment population	Distance & Walking time	Location factors	Teacher/children ratio
Primary schools	3 000-4000	1.5km of 30min	Walking distance-1.5km	1:40
Secondary schools	6 000-10 000	5km	Located on public transport route	1:40

Source: Provincial Planning & Development Commission

The application of planning standards in respect of secondary schools indicates that between 36 and 60 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of each facility and the teacher pupil ratios are important aspects which must be borne in mind for future planning and development in the area.

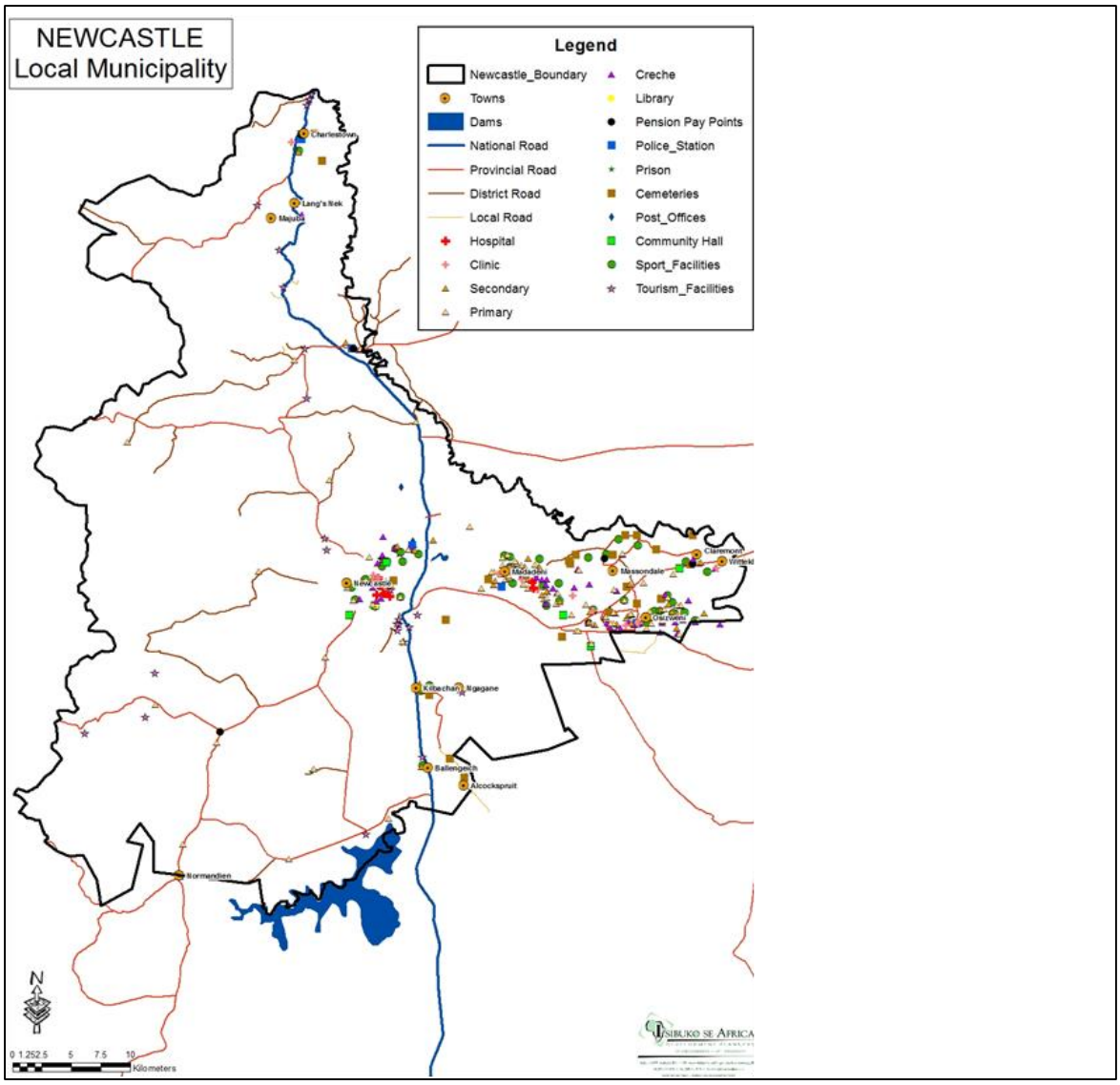
Tertiary education facilities include the old Madadeni College of Education (which is now used as a College for Further Education and Training), the Majuba FET (Newtech Campus), Majuba College FET, and Majuba FETC (MTC Campus).

There are approximately 48 early childhood educational facilities within NLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

3.13.24. Health Institutions.

There are approximately twelve mobile clinics that serve the municipality and 10 permanent clinics. The backlog is mainly in the Newcastle East where the majority of the population lives. At least two hospitals are found within Newcastle Municipality. One if located in town while the other is in Madadeni Township. While Madadeni Hospital serves the district function, Newcastle Hospital is classified as a Provincial Hospital and provides service to the whole of Amajuba District and the surrounding areas.

Figure 19: Public Facilities.



Emergency Rescue Services (EMRS) is located in Madadeni. The Newcastle Private Hospital is the only private hospital within the municipal area.

Table 34: Planning Standards for Health Facilities.

Facility	Catchment population	Distance & Walking time	Location factors
Mobile clinic	<5 000	1km / 20min	Located on public transport routes and near taxi and bus ranks and shops.
Clinic	Small:5 000-10 000 Large: 30 000-50 000	1km / 20min	
Community health centre	70 000-100 000		
Hospital	10 000-80 000	2km(40min) / 5km	

Source: Provincial Planning & Development Commission.

3.13.25. Sports facilities.

Newcastle municipality has a total of 4 sports complexes, namely Paradise Playgrounds, Phelandaba Playgrounds, Fairleigh and Amajuba Sports Complex. In addition, there is the K.R. Rumelin Stadium, 18 sports fields and the Newcastle Swimming Pool. Newcastle East, particularly JBC and the surrounding settlements are poorly provided with sports facilities. Urban renewal programme in the JBC, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Phelandaba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the development of a swimming pool which will cater for the residents of Madadeni and surrounding areas. The same project will be done in Osizweni in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.

3.13.26. Police Stations.

There are seven permanent police stations in NLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Newcastle has four libraries, located in its area of jurisdiction, namely the Newcastle Public library, Osizweni, Madadeni and Fairleigh. Newcastle Municipality participates in crime policing forums through the Office of the Speaker. The NLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Madadeni and Osizweni in order to fight against crime. Special attention is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licensed areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

3.13.27. Libraries.

A main library is located in town while satellite libraries are found in outlying areas such as Madadeni and Osizweni. Provision of libraries in the Newcastle East should be prioritised given the structure of the population and lack of such facilities in the area. Newcastle Municipality has a challenge of maintaining the CBD as a main administrative centre thereby catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next to the civic centre. Satellite libraries are also considered as a priority for the municipality especially in the rural areas like Charlestown and JBC area. The plans and consultation with the Department of Arts and Culture are underway in order to secure funding for these projects.

Amajuba FET is currently exhibiting positive signs of growth hence posing a challenge to the municipality in terms of the provision of a fully established library centre around the Madadeni area and a satellite library in the Newcastle West area which will specifically cater for engineering and science needs. The proposed 2 libraries will assist thus to decrease the transportation costs for the students of the Amajuba FET.

3.13.28. Community Halls.

The municipal area has a total number of nine community halls. Two of these are administered by the district municipality, while the other seven are administered by NLM, namely;

- Madadeni Community Hall;
- Osizweni Community Hall;
- Charlestown Community Hall;
- Richview Community Hall;
- Fairleigh Community Hall;
- Newcastle Farmers Hall; and
- Newcastle Town Hall.

There is a need for additional about 16 halls based on the size and geographic spread of the population. At the moment the majority of the ward Councillors are using the tents to convene their public meetings. This is not financially viable as the price for the hiring of tents is becoming exorbitant. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated. In view of the above, Newcastle Municipality is investing R14 million towards the construction of Blaauwbosch Multi-purpose Centre/Service Delivery Centre (SDC).

3.13.29. Cemeteries.

Access to burial facilities is one of the key challenges facing the Newcastle Municipality. There are 27 cemeteries (8 formal or registered and 19 informal burial sites). Registered cemeteries include 3 cemeteries in Charlestown, Roy Point cemetery, Cavan, (Drycut), Newcastle cemetery, Osizweni and Madadeni cemeteries. One of the unregistered cemeteries is Ngagane cemetery to the south of the Newcastle town. However, only two formal cemeteries are in operation, namely RoyPoint and Drycut cemeteries.

Although Drycut Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the eastern parts of the NLM.

Similarly, the Roy Point Cemetery which serves as a regional facility for the whole of Newcastle and beyond is also fast approaching capacity clearly indicating a need for

the identification and development of anew cemetery for the area. Cemeteries in Madadeni and Osizweni have been closed due to unfavourable geological conditions (high water table), as a result the municipality has undertaken the extension of the Roy Point cemetery through the relevant processes.

In response to the above cemetery challenges, the Newcastle Municipality commissioned an investigation of identifying new suitable sites for cemeteries. The project was initially set to be completed by September 2012 and the planning exercise was to begin with the implementation of the Environmental Impact Assessment (EIA), and other processes.

3.13.30. HUMAN SETTLEMENTS DEVELOPMENT

Newcastle is regarded as one of the growing towns within the KwaZulu Natal Province in terms of economic growth indicating the annual growth rate of between 2.8 to 5.5 % from 2011-2014. This is supported by the current development trends that are taking place within the Newcastle Municipality and coupled with this is the opportunity of being regarded as the regional centre of the Northern KZN. This is also advocated in the current municipal vision in terms of the IDP, which states that *"By 2035, Newcastle will be a Resilient and Economically Vibrant City, Promoting Service Excellence to its Citizens".* In this regard, it is important to start planning for the envisaged city which will attract significant urbanisation and economic growth. Thus, require us to keep abreast with the development trends which will take place once the economy of Newcastle continues to boom.

To implement the housing function, it is important that the municipality has both human capacity to do so. In this regard, Newcastle Municipality has got a fully fletched housing Unit with 28 full time employees and 4 internship and its located within the Department of Development Planning and Human Settlements. The directorate's (unit) work has been divided between a number of different business units to optimise the efficiency and delivery of human setllements within the municipality. The Housing Unit performs all the Human Settlements functions including project Identification, Project/Programme Management, Beneficiary Administration, Quality Assurance, Enhanced Extended Discount Benefit Scheme, Housing Subsidy Systems, and National Housing Needs Register as well as all the other Human Settlements related projects. The housing unit is also a home to the Governments Rental Housing Tribunal and it also ensures that all the complaints by tenants is brought to the attention of the KZN Housing Tribunal as requested by the rental Housing Act (Act 50 of 1999).

In September 2012, Newcastle Municipality was awarded a Level 2 housing accreditation status. This meant that Newcastle Municipality received a delegation of housing authority by province. As a Level 2 accredited Municipality Newcastle is now responsible for the full Programme Management and Administration of the Human Settlement function within its area of jurisdiction.

The municipality also has the approved Human Settlements Plan (i.e. Housing Sector Plan) which is currently under review to be aligned with the 4th Generation IDP (see attachment as part of Sector Plans of the IDP).

3.13.31. Housing Need and Demand.

The Human Settlements Plan estimates the currently demand for low cost housing at 74 991 units. The income bracket in the municipality is shown in figure 21. Effectively, 57% of households are indigent, with 29% earning less that R800 per month, and 28% of households earning no income. The income profile has significant implications for housing eligibility, with the number of households in each income bracket.

Figure 21 Housing Market Segmentation (Source: adapted from HSP, 2015)

INCOME BRACKET	**2001**	2011
No income	19987	15196
R 1 - R 4800	6949	4258
R 4801 - R 9600	13910	7318
R 9601 - R 19 600	9880	16017
R 19 601 - R 38 200	8398	15638
R 38 201 - R 76 400	6278	9363
R 76 401 - R 153 800	4196	7189
R 153 801 - R 307 600	1728	5441
R 307 601 - R 614 400	379	2770
R 614 001 - R 1 228 800	83	686
R 1 228 801 - R 2 457 600	90	207
R 2 457 601 or more	49	187
Unspecified	0	2
Total	71926	84272

MARKET SEGMENTS

Market (potential need) for low cost housing subsidy amounts to 58 515 people.

Market for FLISP and/or Social Housing.

Open market addressed mainly through self-help and private sector developments.

A more informative and complete picture of housing need emerges from the income profile of the population. This provides a perspective into the extent of housing demand and need in the municipality within each of the programmes available for housing delivery. The following tables indicate the income bands for individual and households that can qualify for housing subsidies. The income bands do not correspond exactly with those stipulated in the official policies, but provides a good indication of the number of households that qualify for housing subsidies.

Table 36: Housing Eligibility

INCOME BRACKET	NUMBER OF HOUSEHOLDS
Households with no access to disposable income	15 196
Households with who earn less than R3500/month	43 231
Households with total income between R4 800 and R9 600	16552
Income unspecified	2
TOTAL	74 981

Furthermore, 95% of the total population resides in the urban part of the municipality. Nearly, 60% (195 216) of Newcastle Municipality's population resides within the eastern settlements along P483. These include the townships of Madadeni and Osizweni, the peri-urban settlements of Johnston, Blaauwbosch and Cavan, and the rural settlements of Khathide and AmaHlubi. Rural areas, dominated mainly by the extensive agricultural farms, account for only 5% of the population. It, therefore, follows that the housing need in the Newcastle Municipal area is concentrated in the urban areas, and occurs as follows:-

- Informal settlements located in close proximity to Newcastle Town: This entails settlements such as Siyahlalala which indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.
- Peri-urban settlements located in the JBC area: The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.
- Settlements located within the Ubuhlebomzinyathi area: this area is rapidly degenerating into urban slums. The majority of these are located to the north of the Osizweni Township and the JBC area.
- Organized land invasion in areas such as Tuam Farm: Again this serves to highlight a need to create settlement opportunities closer to employment opportunities.
- Other areas that require attention in terms of the development of sustainable human settlements include the following:
- Charlestown area which includes both tenants and informal areas.
- Small mining towns, the majority of which are located along the southern boundary of the municipality.
- Isolated settlements located on agricultural land such as Ingogo.
- Settlements being established in terms of various elements of the land reform programme.

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the NLM jurisdictional area, is sitting at approximately 74 981 households (88.97%). These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated thus to cater for the changing circumstances of those who are in the waiting list. There's also a large number of forms which have not yet been captured into the database.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Madadeni/Osizweni (MBO) and JBC complex, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure. It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas of Newcastle. In order to address the housing need the MBO complex and Newcastle town need to be integrated and the quadrant between P483 and the N11 must be unlocked for housing development.

In conclusion, the housing backlog for Newcastle Municipality is estimated at 74981 and households who constitute the housing demand qualify for housing subsidies based on their income profile. However, a more detailed understanding of these

household units will be required in order to determine with certainty whether all these households qualify for housing subsidies, and if so, which subsidies can be appropriated. It is important to note that income is not the only determining factor when assessing the qualification for housing-related subsidies. Other typical factors include the citizenship of the household members; their relation to the housing waiting list; and whether or not the household has benefited from government assistance previously. The qualification criteria will vary across subsidy programmes, and it is essential to take this into account in human settlement projects. Housing delivery mechanisms will be discussed in the following section, whereby the possible subsidies which can be utilised in the provision of housing or incremental upgrading interventions will be explored.

Moving forward, it is of utmost importance that further studies are undertaken in order to gain statistically accurate information relating to the current housing need as determined by existing households/units as well as the projected housing need and future development potential in informal settlements/areas based on the current development trends and pressures as well as the capacity of the land.

3.13.32. Human Settlements Priorities.

The following were highlighted as key human settlements priorities in the human settlement development for the municipality:

- **National and Catalytic and Spatial Transformative Projects** – In July 2014: Minister Sisulu announces a national shift from small-scale, infill to **mega housing projects.** The aim of this shift is to fast track delivery in human settlements and to accelerate spatial transformation. Implementing of large scale human settlements development programme that ensures access to housing and related household level infrastructure, services and socio-economic opportunities within projects that achieve spatial and economic transformation and developmental objectives. A total of 101 catalytic projects have been identified throughout the country, of which 8 are in KZN and Newcastle JBC Mega Housing project is one of them.

- **Release and Development of State and Publically-Owned Land for Human Settlements Development and Spatial Transformation**. The implementation of a once-off priority land release programme to be prioritised. The priority land must be identified for release through HDA.

- **Improving Access to Affordable Housing Finance through establishment of Human Settlements Development Bank.** To mobilise private sector financial institution and employers. Aimed at increasing access to gap housing at large scale and defeat asset poverty among low income workers.

- **Upgrading of Informal Settlements:** As part of South Africa's contribution to New Urban Agenda, eradication of slum clearance remains a key priority in government. Informal settlement upgrading is the incremental, in-situ and community led process of securing basic services and improving settlement layouts. It creates an alternative to evictions, contributes to securing tenure and prepares a community for housing development. In Newcastle Municipality, slum clearance programme is also a priority and most of our housing projects under construction stage are part of Informal Settlement Upgrading (ISU) programme.

- **Targeted Applications of the Housing Subsidies:** Aimed at meeting the needs of the most vulnerable households (orphans, the aged and disabled); To enable self-reliance through incremental self-build housing initiatives; and To increase the supply of affordable urban rental accommodation and support low income earners to access housing finance.

- **Employer Assisted Housing Schemes:** Implementation of measures to unleash the large scale impact, relevance and sustainability of employer-assisted housing schemes – including the government employees housing scheme.

- **Military Veterans Housing:** It aims to assist all the Military Veterans with the provision of adequate houses. All applicants need to be approved by the National Department of Military Veterans before they are considered to be beneficiaries. The Newcastle Municipality has identified approximately 25 Military Veterans to National Department of Military Veterans for verification.

- **Title Deed Restoration Programme**: The title deed restoration programme is national programe aimed at promoting land and building tenure. The programe focus at the pre-1994 in the main and partly post-1994. Pre-1994 are houses that were built during apartheid period and current government seek to redress the past by providing beneficiaries with title deeds. The national human settlements has set the deadline for the post-1994 title deed programe which end of April 2019. The Provincial Department of Human Settlement and Municipality has embarked on robust programme of Title Restoration Programme to assist residents with secure tenure. The municipality has also strengthened its efforts towards fast tracking this programme and to-date we have 279 Title Deeds are with the municipality and ready for hand-over for areas of Madadeni and Osizweni.

- **Affordable rental housing opportunities:** This is one of the housing instruments that the current government is providing to its citizens. This housing typology seek to assist to fill the gap between beneficiaries who earns above R3 501 but not above R7 500. Banking institutions are also part of the programme where qualifying beneficiaries are being assisted with the part of funding.

- **Social Housing and Community Residential Units (CRUs):** are also part of affordable rental housing opportunities. Provincial Human Settlements has approved

and gazetted three erven (restructuring zones), namely Arbor Park N11; Newcastle Central (Hospital Street) and Erf 14144 Fernwood.

3.13.33. Housing Delivery.

Over the past 10 years Newcastle Municipality and the Department of Human Settlements have actively delivered a total of 10633 units. Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. Housing projects in the Newcastle Municipality are at different stages of development with the majority being at the planning stage. In total, the projects will deliver approximately 11 341 housing units in the next coming 5 years.

The following table provides a breakdown of housing projects to be implemented by the municipality in the next 5 years. The projects are at various stages in terms of, construction and planning.

Table 35: Housing projects under Construction Phase

NO.	PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS	IMPLEMENTING AGENT	AMOUNT COMMITTED
1.	Osizweni Section E Phase 3 Housing Project	ISU	Ward 9/ 32	507	Mpheme Developments	R 52 145 088
2.	Kathide Housing Project	Rural	Ward 6 and Ward 12	2000	Siyamthanda Consultants	R 157 092 300.00
3.	Siyahlala-la Housing Project	ISU	Ward 25	1205	Umpheme Development	R 138 075 310
4.	Madadeni H 39 Housing Project	ISU	Ward 19	923	Mageba Projects	R56 600 575
5.	Charlestown Housing Project	IRDP	Ward 1	1200	Dovecall Properties	R 56 600 575
6.	Emawozeni Housing Project (Greenfieid)	IRDP	Ward 30	100	Moteko Construction Cost Consultants and Project Management	R 11 476 638
7.	Madadeni Storm Damage Houses (Repair of RoofS0	Rectificatio n Project (RP)	Ward 23	500	Umpheme Developments	
8.	Madadeni Sinking Houses	Rectificatio n Project (RP)	Ward 20	33	Procument Stage	
9.	Osizweni Replacement of Asbestos Roofs	Rectificatio n Project (RP)	Ward 13,		Procument Stage	
TOTAL UNITS				**5935**		

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving

access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Social Housing Regulatory Agency for construction of 555 Social Housing Units, Central along N11. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

Table 35: Projects under Planning Phase

NO.	PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS	IMPLEMENTING AGENT	AMOUNT COMMITTED
1	JBC Phase 1 Housing Project	ISU	15/16/18	2011	Moteko Construction Cost Consultants and Project Management	R 156 592 548.00
2	JBC Phase 2 and 3 Housing Project	ISU	15/16/18 /12	7500	Moteko Construction Cost Consultants and Project Management	Not committed yet
3	Soul City / Stafford Hill Housing Project	ISU	31	3500	Phumafu Consulting Engineer	Not committed yet
4	Vezokuhle / Roypoint Housing Project	IRDP	21	900	Phumafu Consulting Engineer	Not committed yet
5	Drycut Housing Project	ISU	16	1000	MasekoHlongwa and Assocites	Not committed yet
6	Kwamathukuza Phase 2	IRDP	20	200	Phumafu Consulting Engineer	Not committed yet
7.	Khathide Phase Externtion (220)	Rural	6/12	220	Siyamthanda Projects	Not Committed yet
	TOTAL			**15 331**		

Table 36: Proposed Pipeline Projects

NO.	PROJECT NAME	WARD	TYPE OF PROJECT	NUMBER OF UNITS
1	Ingogo Housing Project	1	IRDP	1000
2.	Normandien	25	Agri-village	300
3.	Bosworth Farm	21	IRDP	1500
4.	Wykom	1	IUP	100
5.	Amajuba Forest	1	IUP	800
6.	Kilbachan Settlement	21	IRDP	200
7.	Soulcity Madadeni Section 3	20	Slum Clearance	100
8.	Khathide Rural Housing Project Phase 3 (Sigodiphola Settlements)	7	Rural	1000
9.	Umshenguville	9 /7	IUP	500
10.	Bosch Hoek FLIPS & Military Veterans	21	FLIPS & Military Veterans	200
11.	Sunnyridge (Erf No. 9449) FLIPS	2	FLIPS	To be confermed

12.	Pioneer Park (Erf No. 12155) FLIPS	4	FLIPS	To be confermed
13.	Fernwood (Erf No. 14144) FLIPS	3	FLIPS	To be confermed
14				
	Total Units			**5500**

Table 37: Proposed Rectification Housing projects.

NO.	PROJECT NAME	WARD	TYPE OF PROJECT	NUMBER OF UNITS	PROJECT STAGE
1.	Surryaville and Fairleigh Municipal Flats Refurbishment	3 / 25	Rectification	120	Application for funding submitted to KZN Human Settlements
2.	Madadeni Storm Damage Houses – Repair of Roofs	20/ 22 / 23 / 24 /26/ 28	Rectification	1350	Application for funding submitted to KZN Human Settlements, and the first 500 has been approved (1850-500=1350).
3.	Madadeni Sinking Houses	20	Pre 1994 Housing Stock	327	Application for funding submitted to KZN Human Settlements, 33 housing unit is alloceted for the next financial year(350-33=327).
4.	Osizweni Replacement of Asbestos Houses	11/ 13 / 17 / 30	Pre 1994 Housing Stock	1600	Application for funding submitted to KZN Human Settlements
5.	Madadeni and Osizweni Intercon Houses	Various Wards in Madadeni and Osizweni	Post 1994 Housing Stock	4000	Still under subjudicare
6.	Madadeni Section K Rectification Project	20 /26	Post 1994 Housing Stock	1141	Application for funding has been submitted to KZN Human Settlements
7.	Khathide Phase 1	9/7/33/30	Post 1994 Housing Stock	2000	Application for funding has been submitted to KZN Human Settlements
	Total Units			**11061**	

3.13.34. Rental Housing Stock.

The KZN Department of Human Settlements through the Social Housing Regulatory Authority has called in all municipalities in the province to submit proposals for the identification and delineation of Social Housing Restructuring Zones to facilitate the

development of Social Housing units. Newcastle municipality has been identified as one of the municipalities to submit proposals for the identification of Social Housing Restructuring Zones for consideration for funding the development of Social Housing units in the Municipality's area of jurisdiction.

The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. This leaves a gap in housing provision for income groups earning between R3501 and R7500. The Social Housing project seeks to close this gap and at the same time achieving the objectives mentioned in this report. The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity;
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

Table 38: Proposed Social and Rental Projects

NO.	PROJECT NAME	WARD	TYPE OF PROJECT	NUMBER OF UNITS	PROJECT STAGE	IMPLEMENTING AGENT	AMOUNT COMMITTED
1	Newcastle-Hospital Street	Ward 25	Social Housing / CRU	1056	Planning Stage	Project Manager - Moteko Contractor to be appointed	Still to be confirmed
2.	Newcastle-Arbor Park	Ward 34	Social housing	555	Planning Stage	Project Manager - Moteko Contractor to be appointed	Still to be confirmed
	Total Units			**1611**			

According to the Guidelines provided by the Department of Human settlements, for areas to be identified as Social Housing Restructuring Zones they should satisfy the following criteria:

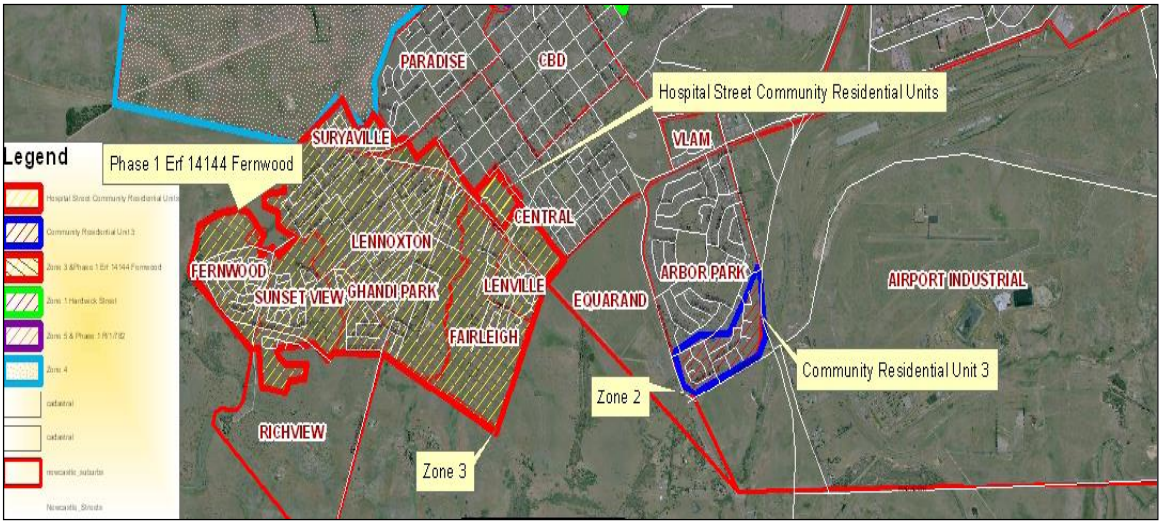
- Social Housing Restructuring Zones should often coincide with development nodes (inner-city and decentralized) and corridors;
- They should not be about regeneration or renewal in townships but could be adjacent to nodes or within corridors linking townships to the city;
- Ideally restructuring should satisfy all 3 objectives above, but either economic access or mixing of race and class each, on its own can be sufficient motivation;

- A Restructuring Zone cannot however, be motivated solely on the grounds of creating change in spatial morphology of the city e.g. just for the sake of densification/compaction.

A total of six (6) Social Housing Restructuring Zones have been identified by the Department of Development Planning and Human Settlements of which two have been prioritised. The identification of the restructuring zones is in line with the set guidelines. The six zones are as follows:

- **Zone 1 –** Hardwick Street Social Housing Restructuring Zone.
- **Zone 2 –** Arbor Park Housing Restructuring Zone **(Prioritized) Approved.**
- **Zone 3 –** Fairleigh, Lennoxton, Lenville, Fernwood, Restructuring Zone **(Prioritized) Approved.**
- **Zone 4 –** Amiel Park, Hutten Heights, Pioneer Park, Aviary Hill, Schuinshoogte, Signal Hill, Sunny Ridge, Barry Hertzog Park, Amajuba Park and Ncandu Park.
- **Zone 5 -** P483 Corridor Mobility Spine, Activity Spines and Activity Nodes.
- **Zone 6 –** Future Development Zones (Erven 15048 and 15049, Newcastle).

Map 10: Prioritized Restructuring Zones 2 and 3



3.13.35. Informal Settlements.

The eradication of informal settlements is a priority for the national and provincial government. A strategy has been devised at a national level and is implemented with the support of the provincial Department of Human Settlement. Newcastle Municipality has been included among the 17 prioritised municipalities for the implementation of an Upgrading of Informal Settlements Progrmme (UISP).

The Newcastle Informal Settlement Strategy and Programme has been finalised and its intension is to give effect to the National Upgrading Support Programme which acts as a support vehicle to the National Department of Human Settlements in its implementation of the Upgrading of Informal Settlements Programme (UISP). The overall strategy and programme is informed by the Assessment and Categorisation of each of the informal settlements, which is the specific purpose of this report. An assessment and categorisation is conducted in order to determine the current status of the informal settlements with the aim of establishing whether or not an informal settlement is suitable for in situ upgrading, or whether a settlement will require a different type of intervention such as relocation. These different outcomes were categorised into four classes namely: Category A (full upgrade); Category B1 (Interim Basic services); Category B2 (Emergency Basic services) and Category C (Relocation).

The following areas have been classified as informal settlements within the municipality:-

	INFORMAL SETTLEMENT	WARDS	HOUSEHOLD NO	CATEGORY
1	Amajuba Forest	1	83	C
2	Wykom	1	35	C
3	Soul City	31	1 080	A
4	JBC	16	6 360	A
5	Ingogo	1	85	A
6	Drycut	15	450	A
7	Bosworth	21	350	B2
8	Roy Point / Vezukuhle	21	270	B2
9	Normandien (Agrivillage programme)	21 and 1	30	B2
TOTAL			**8743**	

The eradication of informal settlements is a priority for the national and provincial government. A strategy has been devised at a national level and is implemented with the support of the provincial Department of Human Settlement. Newcastle Municipality has been included among the 17 prioritised municipalities for the implementation of an Upgrading of Informal Settlements Programme (UISP). An informal settlement upgrading strategy for the Newcastle Municipality is being developed. It will be incorporated into the Housing Sector Plan upon its completion.

3.13.36. Affordable Housing.

Gap Housing is the affordable housing sector comprises of those households that earn between R3 500 and R15 000, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance. The term “Gap Housing” describes the shortfall, or ‘gap’ in the market between residential units supplied by the state and houses delivered by the private sector.

Newcastle Municipality has approved and allocated vacant pieces of land for the purpose of developing financial linked individual Subsidy Programme (Flisp) namely erf 14144; erf 9449 and 12155. This programme will also assist in accommodating residents in our current housing projects whose status has changed; and who no longer qualify for BNG Housing Scheme anymore. Once the terms of reference is finalized the two sites will be advertised for tender so that a private developer is awarded inorder to enter into an agreement with the Newcastle Municipality and start with the delivery of houses for the GAP Market for FLISP Scheme. The FLISP Programme is also expected to address the GAP Housing as well as middle income earners.

3.13.37. Urban Renewal.

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex. Key performance areas with their identified strategies identified for the MBO complex include:

- Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

3.13.38. Upgrading and formalisation of the JBC Area.

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.
- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

3.13.39. JBC Mega Catalytic Housing Project.

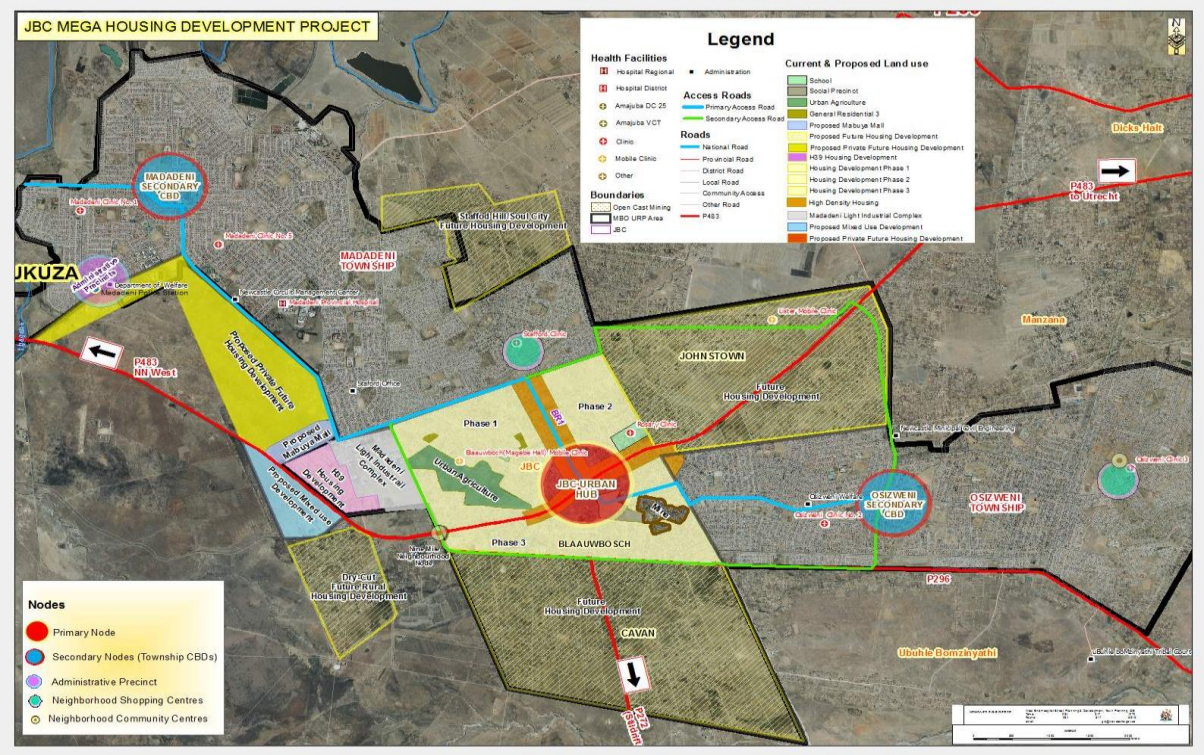
JBC (Johnstown, Blaauwboch and Cavan) area is situated within the eastern part of Newcastle. The area is interposed by two formal Townships of Madadeni and Osizweni. It has a semi-rural /urban character and is largely informally settled with no proper infrastructure in place, unlike other parts of Newcastle. It has a very limited economic and social infrastructure. As part of ensuring livelihood and sustainability the Newcastle Municipality through the Municipal IDP and SDF has identified JBC as a key intervention area for investment and is regarded as a potential Primary CBD Node.

The vision for the future development of this area entails the establishment of a new CBD, with a range of housing typologies and eradication of informal settlements. Two major housing projects (JBC Phase 1 and JBC Phase 2&3) with a total yield of about 9511 mixed housing opportunities have been initiated by the municipality and province. Phase 1 consisting of 2011 units has been approved by KZNDHS and is currently at planning stage. Phase 2 and 3 is currently at prefeasibility stage.

Newcastle Municipality has received a major boost in terms of Housing/ Human Settlement delivery. Our municipality's Johnstone Blaaubosch and Cavan housing project commonly known as JBC has received a National approval as one of the 8 Catalytic/ Mega project in KwaZulu-Natal. The JBC with a total 14 011 housing opportunities was approved together with 5 projects from Ethekwini Municipality; one

from Kwadukuza in Hyde Park (4600) Units and one from Umhlathuze Empangeni(Waterstone) for 10 000 Units.

Human settlement Catalytic projects can be range from mega scale inclusionary neighbourhoods to seemingly small but high impact interventions. The underlying principle of all of these is that they are all spatially targeted interventions whose main objective is to intervene to deliberately restructure settlement patterns and impact on the environment. The intention of Government with the concept of Mega projects is to unlock the investment opportunities for big projects that will yield between 10 000 and 20 000 different typologies of housing units.



3.13.40. SWOT Analysis: Service Delivery and Infrastructure Assessment.

STRENGHTS	WEAKNESSES
▪ Well-developed infrastructure network. ▪ Availability of bulk infrastructure and services to support the economy and meet basic needs. ▪ Relatively well-resourced Technical Services Department. ▪ Aerodrome with potential to develop as a regional airport. ▪ Relatively good road network.	▪ Lack of sector plans particularly Water Services Development Plan. ▪ Ageing infrastructure particularly in the CBD and Newcastle West generally. ▪ Bulk infrastructure working at capacity (water treatment works). ▪ Water loses due to old infrastructure. ▪ Limited capacity for future development.

▪ Good access to social facilities and infrastructure (schools and health facilities). ▪ Level 2 Accreditation for the delivery of housing projects. ▪ Blue Drop water status (quality) ▪ Spare capacity for electricity	▪ Huge housing backlog particularly in the JBC area and informal settlements. ▪ Gravel roads in Newcastle East. ▪ Slow pace of housing projects. ▪ Lack of bulk services in the JBC area. ▪ Poor storm water management, particularly in the vicinity of Victoria Mall. ▪ Poorly located landfill site. . ▪ Illegal dumping.
OPPORTUNITIES	**THREATS**
• Urban renewal programme. • Municipal Infrastructure Grant and other conditional grants. • Informal Settlement Upgrading Programme. • Public private partnerships. • Development of the New dam (Ncandu)	• Increasing rate of urbanisation in areas where there is inadequate bulk infrastructure. • Reduction in infrastructure grants from national and provincial government. • Old infrastructure in the Newcastle west

3.14. SOCIAL DEVELOPMENT.

3.14.1. Races existing within Newcastle.

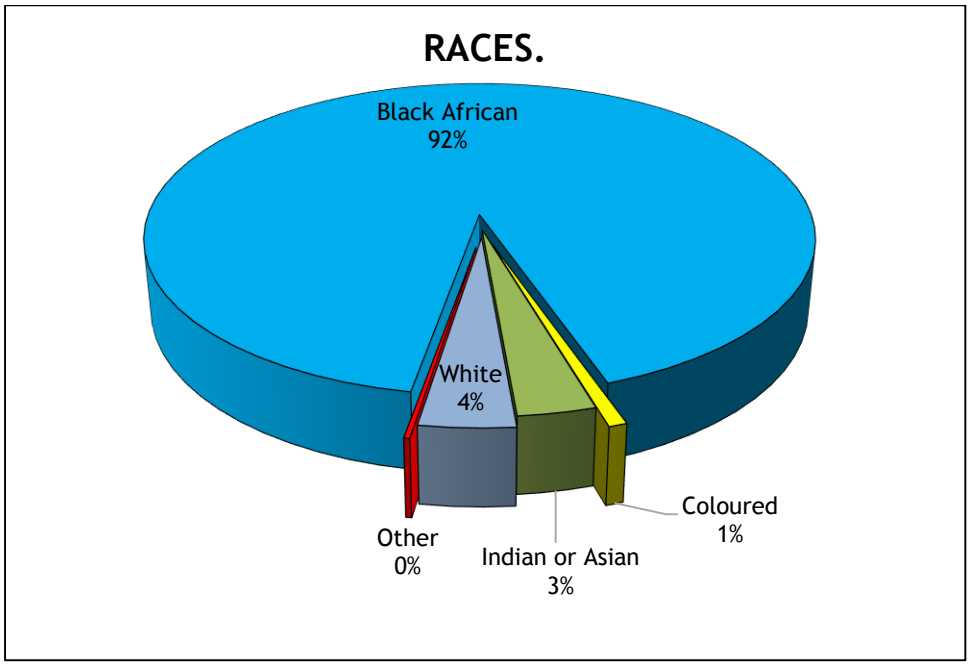
In terms of race, the Black African group makes up the majority of the population in Newcastle at an astounding 91.86% of the total population. The White group makes up the second largest population followed by the Indian or Asian population at 3.93% and 3.22% respectively. The other 0.99% is comprised of either the coloureds and/or other racial groups.

Table 7: Races existing within Newcastle.

	2001		2011	
	Number of people	**%**	**Number of people**	**%**
Black African	302 609	90,88%	333 657	91,86%
Coloured	2 195	0,66%	2 733	0,75%
Indian or Asian	10 128	3,04%	11 686	3,22%
White	18 045	5,42%	14 275	3,93%
Other	-	-	886	0,24%
Grand Total	**332 977**	**100%**	**363 236**	**100%**

Source: Stats SA –2001 & 2011 Census Data.

Figure 20: Races existing within Newcastle in the year 2011.



3.14.2. Spoken languages.

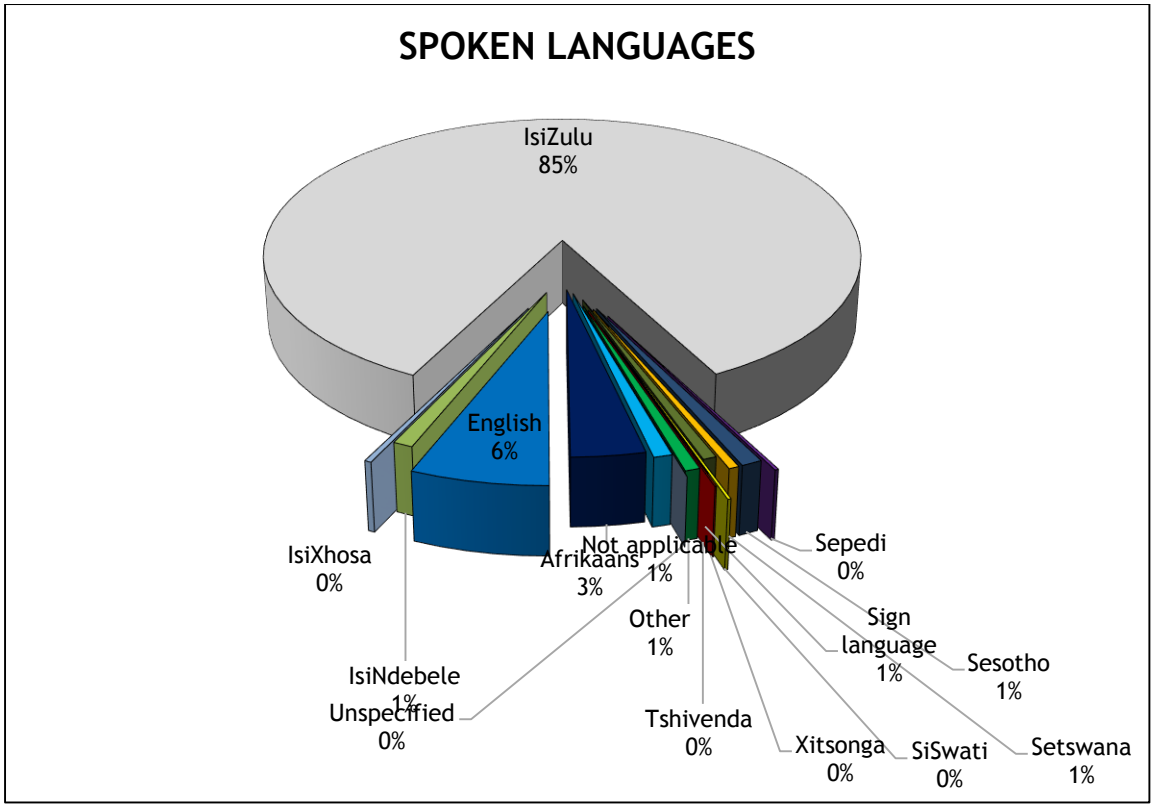
The highest concentration of people (84.87%) have IsiZulu as their spoken language followed by English and Afrikaans at 6.33% and 3.46% respectively. 0.63% of the total population uses sign language to communicate whereas the other 4.71% is evenly distributed amongst people who either have Isindebele, IsiXhosa, Sepedi, Setswana, SiSwati, Tshivenda and Xitsonga as their spoken language. Based on the information presented below, it is clear that Newcastle is a multilingual town well-endowed with a wide variety of cultures.

Table 36: Spoken languages within Newcastle.

	Total Number of People	%
Afrikaans	12 574	3,46%
English	22 979	6,33%
IsiNdebele	3 397	0,93%
IsiXhosa	1 154	0,32%
IsiZulu	308 297	84,87%
Sepedi	607	0,17%
Sesotho	3 539	0,97%
Setswana	1 762	0,48%
Sign language	2 309	0,63%
SiSwati	554	0,15%
Tshivenda	129	0,03%
Xitsonga	264	0,07%
Other	2 524	0,69%
Unspecified	-	0,00%
Not applicable	3 148	0,87%
Grand Total	**363 236**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 21: Spoken languages.



3.14.3. Blindness as a disability.

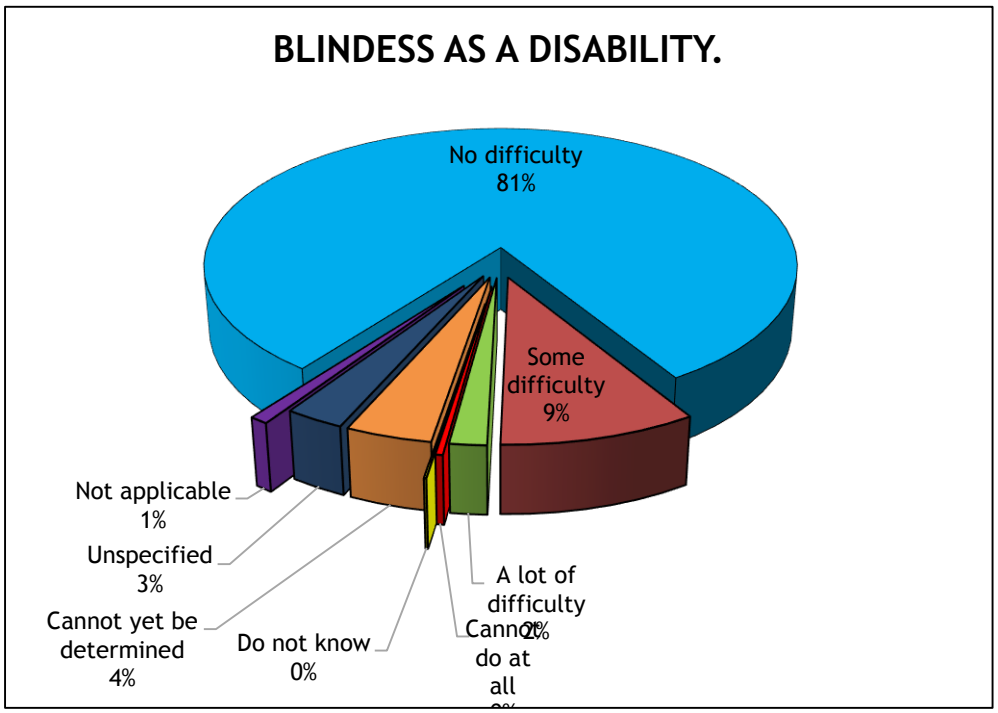
According to *Table 2* below, there is a small number of individuals with blindness as a disability within Newcastle's jurisdictional area. The majority of the people (80.93%) have no difficulties with seeing. Individuals who experience difficulties in this regard collectively constitute 11.27% of the total population, with a higher majority being attributed to the female population. The other 7.80% or so either doesn't know, cannot yet determine whether or not they have difficulties with seeing, are unspecified and/or are not applicable.

Table 37: Blindness as a disability within Newcastle.

	Male	%	Female	%	Grand Total	%
No difficulty	142 919	82,69%	151 059	79,34%	**293 979**	**80,93%**
Some difficulty	12 737	7,37%	20 701	10,88%	**33 438**	**9,20%**
A lot of difficulty	2 295	1,33%	3 993	2,09%	**6 288**	**1,73%**
Cannot do at all	587	0,33%	651	0,35%	**1 239**	**0,34%**
Do not know	209	0,13%	186	0,09%	**395**	**0,11%**
Cannot yet be determined	7 239	4,19%	7 414	3,89%	**14 654**	**4,04%**
Unspecified	4 805	2,78%	5 280	2,77%	**10 085**	**2,78%**
Not applicable	2 045	1,18%	1 103	0,59%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 22: Blindness as a disability.



3.14.4. Communication impairedness as a disability.

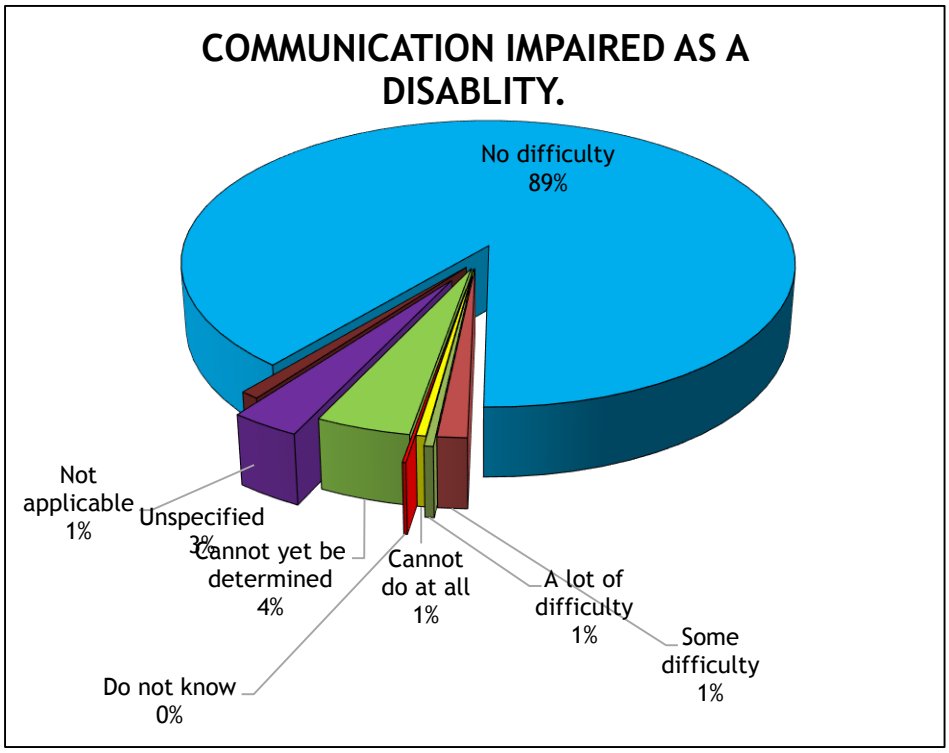
Regarding Table 9 below, a higher majority (89.21%) of the population within Newcastle has got no difficulties in communicating through speech. About 2.24% of the total population experiences difficulties in this regard with a higher majority being concentrated amongst the male population. The other 8.55% either doesn't know, cannot yet determine whether or not they have difficulties with communicating, are unspecified and/or are not applicable.

Table 38: Communication impaired as a disability within Newcastle.

	Male	%	Female	%	Grand Total	%
No difficulty	153 216	88,64%	170 827	89,72%	**324 043**	**89,21%**
Some difficulty	2 374	1,38%	2 594	1,36%	**4 967**	**1,37%**
A lot of difficulty	802	0,47%	745	0,39%	**1 547**	**0,42%**
Cannot do at all	857	0,49%	763	0,41%	**1 620**	**0,45%**
Do not know	319	0,19%	262	0,13%	**582**	**0,16%**
Cannot yet be determined	7 776	4,49%	8 050	4,23%	**15 826**	**4,36%**
Unspecified	5 448	3,16%	6 044	3,18%	**11 492**	**3,16%**
Not applicable	2 045	1,18%	1 103	0,58%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 23: Communication impaired as a disability.



3.14.5. Deafness as a disability.

Table 10 below depicts a situation which conforms to the norm regarding deafness as a disability within Newcastle. A high majority of the population within Newcastle (88.50%) have no difficulties in terms of hearing problems. 3.58% of the total population has experienced a variety of difficulties in this regard with the majority concentrated amongst the female population. The rest of the other 7.92% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

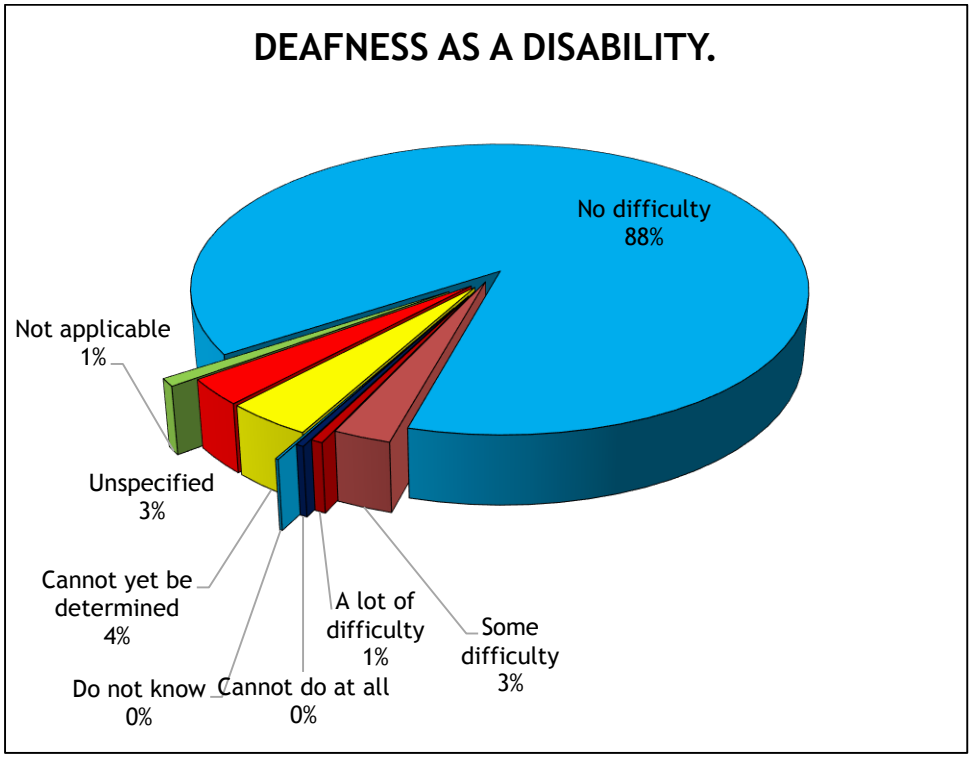
Table 39: Deafness as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	152 776	88,39%	168 695	88,60%	**321 471**	**88,50%**
Some difficulty	4 039	2,34%	5 702	2,99%	**9 741**	**2,68%**
A lot of difficulty	849	0,49%	1 104	0,58%	**1 953**	**0,54%**
Cannot do at all	674	0,39%	655	0,34%	**1 329**	**0,36%**
Do not know	241	0,14%	229	0,12%	**470**	**0,13%**
Cannot yet be determined	7 141	4,13%	7 346	3,86%	**14 487**	**3,99%**
Unspecified	5 071	2,93%	5 555	2,93%	**10 626**	**2,92%**

	Male	%	Female	%	Grand Total	%
Not applicable	2 045	1,19%	1 103	0,58%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Chart 2: Deafness as a disability.



3.14.6. Walking and/or climbing stairs as a disability.

The majority of the population within Newcastle (88.81%) does not have any difficulties with regards to walking and/or climbing stairs. 3.07% of the total population may be deemed as having difficulties with walking and/or climbing stairs with the highest concentration being amongst the female population. The other 8.12% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

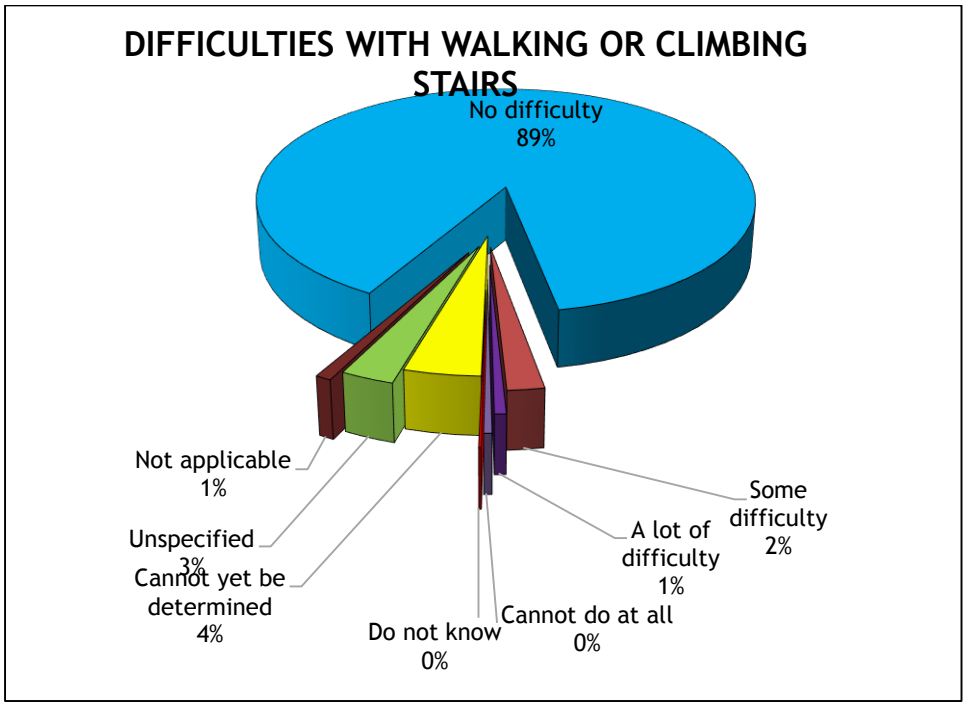
Table 40: Walking and/or climbing stairs as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	153 639	88,89%	168 962	88,74%	**322 601**	**88,81%**
Some difficulty	2 806	1,63%	4 517	2,37%	**7 324**	**2,02%**
A lot of difficulty	855	0,49%	1 385	0,74%	**2 239**	**0,62%**
Cannot do at all	749	0,43%	805	0,42%	**1 553**	**0,43%**
Do not know	247	0,15%	221	0,12%	**468**	**0,13%**

Cannot yet be determined	7 505	4,34%	7 821	4,12%	**15 326**	**4,22%**
Unspecified	4 991	2,88%	5 575	2,93%	**10 566**	**2,91%**
Not applicable	2 045	1,19%	1 103	0,56%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 24: Waking or climbing stairs as a disability.



3.14.7. Remembering/concentrating as a disability.

Most of the people within Newcastle (85.96%) do not have any problems related to remembering/concentrating as a disability. Approximately 5.06% of the total population experiences difficulties in this regard whereas the rest of the 8.98% either doesn't know, cannot yet determine whether or not they have difficulties with remembering/concentrating, are unspecified and/or are not applicable. In terms of gender, the male population experiences a higher degree of difficulty with remembering/concentrating as a disability when compared to the females.

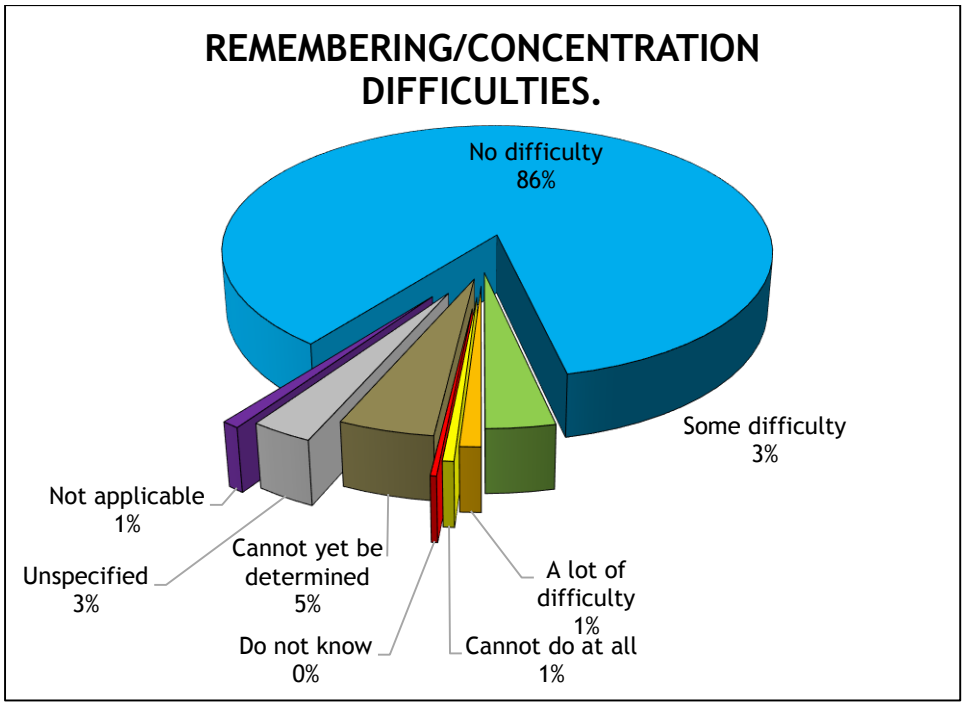
Table 41: Remembering/concentrating as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	148 613	85,98%	163 634	85,95%	**312 247**	**85,96%**
Some difficulty	5 216	3,02%	7 339	3,85%	**12 555**	**3,46%**
A lot of difficulty	1 595	0,93%	2 234	1,17%	**3 829**	**1,05%**
Cannot do at all	1 057	0,61%	955	0,50%	**2 012**	**0,55%**

Do not know	574	0,33%	531	0,28%	**1 106**	**0,30%**
Cannot yet be determined	8 487	4,91%	8 752	4,59%	**17 239**	**4,75%**
Unspecified	5 248	3,04%	5 841	3,08%	**11 090**	**3,06%**
Not applicable	2 045	1,18%	1 103	0,58%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 25: Difficulties with concentrating/remembering.



3.14.8. Self-care as a disability.

The majority of the population within Newcastle (80.44%) is not experiencing any difficulties regarding self-care. 3.61% of the total population experiences difficulties in this regard with the majority concentrated amongst the female population. The rest of the 15.95% either doesn't know, cannot yet determine whether or not they have difficulties with regards to self-care, are unspecified and/or are not applicable.

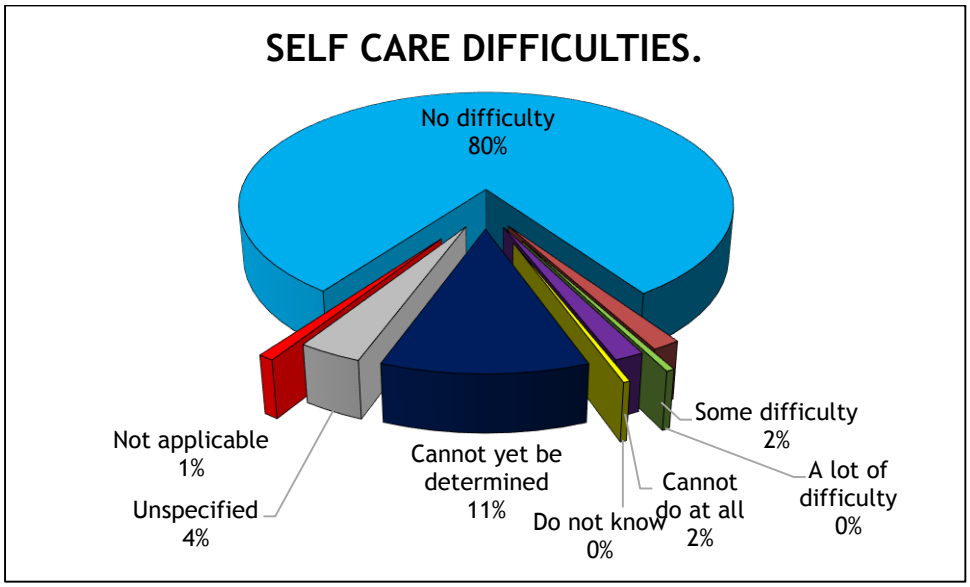
Table 42: Self-care as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	137 383	79,49%	154 759	81,28%	**292 141**	**80,44%**
Some difficulty	2 642	1,54%	2 979	1,56%	**5 621**	**1,55%**
A lot of difficulty	817	0,48%	826	0,43%	**1 644**	**0,45%**
Cannot do at all	2 977	1,72%	2 846	1,49%	**5 823**	**1,61%**
Do not know	664	0,37%	662	0,36%	**1 325**	**0,36%**

Cannot yet be determined	20 353	11,78%	20 513	10,77%	**40 866**	**11,25%**
Unspecified	5 956	3,44%	6 702	3,53%	**12 657**	**3,48%**
Not applicable	2 045	1,18%	1 103	0,58%	**3 148**	**0,86%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 26: Difficulties with self-care.



3.14.9. Migration patterns.

The majority of the individuals residing in Newcastle are originally from the KwaZulu-Natal Province. Based on the figures presented in Table 15 and 16 below the majority of immigrants into Newcastle emanate from the Gauteng Province with the second largest group coming from the Mpumalanga Province and subsequently Free State. In terms of race, the majority of the immigrants are Black Africans which are followed by the Whites. The cause for immigration into Newcastle may largely be attributed to the rapid development of the town as a regional services center within the Northern KwaZulu-Natal region hence employment opportunities. In terms of gender, the majority of the individuals who immigrate into Newcastle entails the female population. Since the year 2001, there has been an increase in the number of immigrants to Newcastle from Gauteng, Mpumalanga and the Free State Province at an average annual immigration growth rate of 2.76%, 0.07%, and 1.08% respectively over 10 years since 2001 to 2011.

Table 43: Immigration to Newcastle from different provinces.

	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-Natal	North west	Gauteng	Mpumalanga	Limpopo	Grand Total
Black African	103	380	46	670	297 493	126	1 712	1 287	169	**302 531**
Coloured	57	26	24	3	2 054	-	40	24	-	**2 264**
Indian or Asian	44	18	-	12	9 969	9	36	30	12	**10 154**
White	78	112	48	168	16 515	85	515	312	54	**18 037**
Other	-	-	-	-	-	-	-	-	-	**-**
Grand Total	**282**	**536**	**119**	**852**	**326 031**	**220**	**2 302**	**1 653**	**235**	**332 985**

Source: Stats SA – 2001 Census Data.

Table 44: Migration to Newcastle from different provinces.

	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-Natal	North west	Gauteng	Mpumalanga	Limpopo	Outside South Africa	Do not know	Unspecified	Grand Total
Black African	97	478	160	714	322 283	67	2 452	1 444	115	1 475	12	4 359	**333 657**
Coloured	31	21	26	6	2 474	-	34	14	-	16	-	110	**2 733**
Indian or Asian	33	18	3	24	10 933	5	140	44	5	372	3	105	**11 686**
White	93	108	63	210	12 551	46	520	270	59	79	5	272	**14 275**
Other	3	9	1	1	448	3	33	-	2	349	5	29	**886**
Grand Total	**258**	**634**	**253**	**955**	**348 689**	**122**	**3 179**	**1 771**	**181**	**2 292**	**25**	**4 875**	**363 236**

Source: Stats SA – 2011 Census Data.

3.14.10. Child-headed households.

According to *Table 34* below, out of the total number of households within Newcastle (84 272 households), 1.3% (1 128) of the total number of households is headed by a child who is either 18 years old or younger. In terms of gender, the majority of the child-headed households are headed by males (61.52% of the total 1 128 child headed households) as compared to the females. Out of the total number of child-headed households, 5.23% is employed, 4.25% is unemployed, 1.59% entails discouraged work seekers, whereas a high majority (58.59%) is not economically active meaning they may still be attending school. The other 30.34% is composed of child-headed households with children that are younger than 15 years of age.

Table 45: Child-headed households.

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Grand Total
Male	48	27	9	409	201	**694**
Female	11	21	9	252	141	**434**
Unspecified	-	-	-	-	-	-
Grand Total	**59**	**48**	**18**	**661**	**342**	**1 128**

Source: Stats SA – 2011 Census Data.

In terms of the table below, the annual household income of the child-headed households within Newcastle, the majority is living below the lower bound poverty line of 1.25$ (PPP$) per day, which is currently R14,67 in terms of the Dollar to Rand exchange rate. The majority of the households living below the lower bound poverty line have no income what-so-ever and they constitute 48.9% (552) of the total number of child-headed households. The implications behind this alarming figure is that such households are leaving in abject poverty hence necessitating some form of intervention.

Table 35: Annual income of child-headed households.

	No income	R 1 - R 4800	R 4801 - R 9600	R 9601 - R 19 600	R 19 601 - R 38 200	R 38 201 - R 76 400	R 76 401 - R 153 800
Male	367	119	89	60	30	13	2
Female	185	64	72	48	37	15	6
Unspecified	-	-	-	-	-	-	-
Grand Total	**552**	**183**	**161**	**108**	**67**	**28**	**8**
	R 153 801 - R 307 600	**R 307 601 - R 614 400**	**R 614 001 - R 1 228 800**	**R 1 228 801 - R 2 457 600**	**R 2 457 601 or more**	**Unspecified**	**Grand Total**
Male	7	4	-	1	-	-	**694**
Female	4	2	-	1	-	-	**433**

	No income	R 1 - R 4800	R 4801 - R 9600	R 9601 - R 19 600	R 19 601 - R 38 200	R 38 201 - R 76 400	R 76 401 - R 153 800
Unspecified	-	-	-	-	-	-	-
Grand Total	**12**	**7**	**-**	**2**	**-**	**-**	**1 128**

Source: Stats SA – 2011 Census Data.

3.14.11. Special Programmes.

The Special Programmes Unit is a one-stop coordination point for all national, provincial, local and other special programmes of a strategic nature. The benefits of this approach is that it generates efficiency and effectiveness that would not have been available has these programmes been driven individually. However, it is critical to note that it is mainly about psychological empowerment of the so called target groups (gender: men and women, children, people with disabilities and senior citizens) and Operation Sukuma Sakhe.

❖ Vision.

A psychologically empowered society that upholds the rights of women, men, children, senior citizens, people with disabilities and HIV/AIDS free society.

3.14.12. Senior Citizens.

The background will be in a form of the structural election in which ward councilors invite candidates. There are five senior citizens structures in each zone and each structure entail seven members namely: Chairperson, Deputy Chairperson, Secretary, deputy secretary and three additional members.

The involvement of government department is good and Fora is able to attend war room meeting and address their concerns. The following departments are perceived as most critical to their needs: SASSA, DSD, DOH and SAPS.

According to the older persons Act no.13 of 2006, senior citizens commences at the age of sixty. The Act aims are aligned to special programmes:-

(i) to maintain and promote the status, wellbeing, safety and security of older persons;
(ii) to maintain and protect the rights of older persons;
(iii) to help older persons to stay in their homes in the community for as long as possible;
(iv) to regulate services and residential facilities for older persons; and
(v) to combat abuse of older persons

a) Programmes.

Table 1: Programmes for senior citizens

PROGRAMMES	DATE	CONTENT	STAKEHOLDERS
Forum launch	15 February 2017	Election of new structures	IEC

Engagement with Senior Citizens	14 March 2017	Engagement with senior citizens. (Dialogues were conducted)	DOH DSR ESST AGE IN ACTION
Alzheimer Awareness	23 March 2017	Alzheimer Awareness (Dialogues were conducted)	ESST DOH
Senior Citizens Event	14 December 2017	Senior Citizens Rights (Dialogues were conducted)	DOH SAPS SASSA ESST BLACK CHILD SAOPF LUNCHEON CLUBS

b) Achievements.

Involvement of senior citizens during the dialogue sessions older citizens actively engage and get clarifications on issues such as green cards processes. The psychological empowerment has happened in different levels including fora acting support groups, taking part in war room meetings and attending the KZN senior citizens parliament.

c) Challenges.

❖ Geographical spread.

It is impossible for the forum to sit at their meetings because of the geographical spread.

❖ Resignation of members.

Some members resign and it becomes a challenge for the forums to operate. Their resignation is influenced by the lack of permanent staff with resources to do monitoring and the lack of a stipends.

❖ Late submission of minutes.

When the forum submits late it makes it difficult to solve issues on time. Writing is also a challenge to some members and they believe more on verbal reporting.

❖ Resistance in working with new staff.

The Fora also has resistance in working with new staff (students or interns) when the contracts of the previous staff expiries. This should be understood as a normal human behavior because working together demands trust.

d) Recommendations.

(i) Geographical spread can be overcome by electing more for a committees closer to the people. However, the challenge will be to monitor and provide the support to the fora.
(ii) For the members who have resigned the chairperson is requested to call a meeting and co-opt other members.
(iii) Regarding minute's submission, the forum is told to give it to war room's secretaries to submit on their behalf.

e) Structures.

There are five HIV/AIDS Forum structures in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. (See attached Annexure A) this structure is only formed by people who are living with HIV/Aids.

f) Functionality

❖ Involvement of stakeholders.

The departments that are active in the forum are Red Cross and Department of Health. Notably is that most of the Red Cross staff forms part of the forum. One may argue that it is because HIV/Aids is a primarily a diseases which is cross-cutting.

❖ Submission of minutes.

The forum submits their monthly minutes. The predominant items are social ills, unemployment due to stigmatization, requests to start agricultural programs, malnutrition and food parcel vouchers.

g) Programmes.

Table 2: Programmes for People Living with HIV

PROGRAMMES	DATE	CONTENT	STAKEHOLDERS
Door to door	31 March 2017	Health education Testing services	DOH Red cross Cogta
Chronic illness defaulters awareness campaign	01 June 2017	Engaging with people about defaulting and taking of chronic medication (dialogue)	DOE Liquor Authority ESST DSD Red cross DOH Sanca

Door to door campaign	29 June 2017	Health education Testing services	DOH
Local Aids Council Meeting	27 October 2017	Reporting back on the issues raised and solved	HIV/AIDS
World Aids Day	05 December 2017	Raising awareness about HIV/AIDS risks and management	DOH

h) Achievements.

❖ Dialogues.

Dialogues plays a critical role in accumulation of knowledge. The target group get the opportunity to engage with departments such as DOH and get information about pick up points (MediPost), the services rendered by Philamntwana etc.

❖ Number of people reached.

Hundreds of people have been reached for HIV/AIDS screening, TB & Diabetes testing, condom distribution and health education.

i) Psychological Empowerment.

People have been empowered through focus groups. This has made them to rise above the discrimination they receive within the society. One may argue that discrimination is for the past, however, it is still a burden to be carried.

j) Challenges.

Geographical spread for zones physical spread makes it difficult for the forum to sit at their meetings. Resignation of members like in all other fora; some members mainly due to lack of a stipend. Late submission when the forum submits late it makes it difficult to solve issues. Resistance of working with new staff is a very critical especially in this target group. Being HIV infected is a personal issue and it is very difficult to work with someone new.

k) Recommendation.

(i) Geographical spread can be overcome by electing more committees closer to the people.
(ii) For the members who have resigned the chairperson must co-opt other members.
(iii) For the minutes submission the forum is told to give it to war room secretaries to submit on their behalf.

3.14.13. People living with disabilities.

a) Structure.

There are five People living with Disability Forum structure in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. The disability fora members have the following disabilities: mobility, blindness, albinism and deafness.

b) Functionality.

❖ Involvement of stakeholders.

Involvement of stakeholders is poor in monthly meetings held. However the Disability Rehabilitation structure provides a platform for the target group to engage and address their concerns and needs. This structure is championed by DOH and is specifically targeting issues relating to disability. It is critical to note that the municipality plays a fundamental role in this structure because most of its members are forum members.

❖ Submission of minutes.

In most of the cases the minutes are submitted late. Predominant issues include their interest in sports, financial independency and structural inaccessibility.

c) Programmes.

Table 3: Programmes for senior citizens.

PROGRAMMES	DATE	CONTENT	STAKEHOLDERS
Special Olympics event	30 May 2017	Sport day for special schools	DOE DSR
Disability sport day/ war room launch	13 June 2017	Disability sport day/ war room launch	DSR
Job readiness for people living with disabilities	14-15 June 2017	Job readiness Workshop for people living with disabilities	DPSA
Disability awareness month event	07 December 2017	People living with disabilities right	DOE SAPS SASSA DSD ESST

Table 4: Disability Plans

ITEM	IMPACT	TARGET
1. Creative arts	People living with disabilities have started a project where they create hand-crafts. Items range from pillows, duvets, fur hats, matts, bracelets etc. The municipality encourages and promotes this project by inviting them to	Handicraft Centre

	programmes with high profile personnel where they can showcase their skills and products to the public.	
2. Disability Summit	To address issues concerning people living with disabilities by airing them to relevant stakeholders. These issues include the public transport which is not user friendly to PLWD, unemployment issues, health and education.	Relevant stakeholders and Government departments
3. BusinessAble	To develop the skills of PLWD in the business sector and to encourage entrepreneurship for PLWD. The aim is to educate and inspire PLWD to start businesses to decrease the unemployment issue they face.	Disability Forum Members
4. Agriculture	To encourage agricultural entrepreneurship, equip them with necessary skills to start farming or herding livestock to have a sustainable life.	People Living With Disabilities
5. Embroidery	A business where they print t-shirt, kitchenware (mugs, plates, etc.), hats etc. To promote business skills and to encourage PLWD to have a sustainable life.	Disability Forum Members
6. Manufacturing (Sewing)	To equip and to encourage PLWD to the manufacturing sector and tackle the issue of unemployment disabled people face.	➢ YWCA Special School ➢ Vumani Sabelo Special School

d) Achievements.

❖ Dialogues.

During the dialogues the PWD get the opportunity to engage with stakeholders such as DOH, DSD, IEC and Disabled People of South Africa.

❖ Skills empowerment.

Twenty five people with disabilities have studied Computer and have be awarded learnerships by the ETDP SETA. The Department of Health have provided placement for them to strengthen computer skills. The fact that the beneficiaries are placed in the

community facilities; hope and social cohesion are restored to a certain extent. More importantly, it is for the benefit of the government to have a society which is able to differentiate between entitlement and accountability. Thus, the project is a psychological empowerment to imply that there is no member of the community who should feel less of himself and not add value in a democratic society like Newcastle.

Table 5: Impact on People with disabilities

NO	NAME	SURNAME	ID NUMBER	PLACEMENT	DISABILITY
1.	Lindiwe	Maduna	8709060869086	Osizweni Clinic 1	Clubbed feet
2.	Nhlanhla	Sibisi	8305685475089	Osizweni Clinic1	Paraplegic
3.	Gugu	Langa	9207160863082	Osizweni Clinic 2	Cerebral palsy
4.	Simphiwe	Mofokeng	9003121129089	Osizweni Clinic 2	Albinism
5.	Samkelisiwe	Shoba	9204060873089	Osizweni Clinic 3	Albinism
6.	Valerah	Dlomo	9001200435088	Osizweni3	Spina bifida
7.	Mbali	Sangweni	9207170965083	Rosary Clinic	Albinism
8.	Zamimpilo	Mbatha	9207285520088	Rosary Clinic	Cerbral palsy
9.	Cebisile	Zwane	8203150234088	Mndozo Clinic	R.Hemiplegic
10.	Jane	Nxumalo	8603150616087	Mndozo Clinic	Cerebral palsy
11.	Simanga	Kunene	8402096167085	District office	Albinism
12.	Makabongwe	Thango	8908305526085	District office	Epileptic
13.	Nonhlanhla	Maseko	8110240292085	Newcastle PHC	Cancer of right eye
14.	Zinhle	Mwelase	860601170087	Newcastle PHC	Cancer right eye
15.	Zanele	Simelane	8501230895087	Madadeni Clinic1	Paraplegic
16.	Samkelisiwe	Langa	8002040352088	Madadeni PHC Newcastle sub-district	Left arm amputee
17.	Zanele	Madide	9406210598082	Madadeni-Clinic 1	Dwarfism

18.	Thembinkosi	Xaba	8604046695087	Madadeni Clinic 5	Left lower limb amputation
19.	Zamani	Mbatha	8802085521087	Madadeni Clinic 7	Hemiplegia
20.	Simphiwe	Miya	8806205942081	Madadeni Gate clinic	Albinism
21.	Nanile	Msibi	8712140702087	Madadeni Occupational therapy Department	Cerebral palsy Athetoid
22.	Xolani	Buthelezi	8011185365086	Stafford Clinic	Cerebral palsy
23.	Mfundo	Notununu	8504245745081	Stafford Clinic	amputee
24.	Nurse	Madida	8105080914087	Naasfarm Clinic	Amputee
25.	Doctor	Kubheka	7503145431082	Naasfarm Clinic	Cerebral palsy

It is worth to mention that more females than males benefited in the project. Sixty four percent (64%) are women and only thirty six (36%) are males.

e) Challenges.

Geographical spread for zones it is impossible for the forum to sit at their meetings because of the geographical spread. Members who resign some members resign and it becomes a challenge for the forums to operate. Their resignation is influenced by the lack of permanent staff with resources and the lack of a stipend. Resistance with working with new staff

The Fora also has resistance in working with new staff (students or interns) when the contracts of the previous staff expiries.

3.14.14. Women.

Since 1994 a number of important policies and legislative frameworks have been put into effect to promote gender equality. The National Policy Frameworks for Women's Empowerment and Gender Equality was approved by Cabinet in 2002 defines roles and responsibilities related to for government representatives at all levels of government at the national, provincial and local level gender.

f) Structure.

There are five Women Forum structure in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members. (See attached Annexure A)

g) Functionality.

❖ Involvement of stakeholders.

We have poor attendance of stakeholders in meetings held, however, stakeholders attend whenever they are invited to events/programmes. Submission of minutes. Meetings are held monthly and minutes are submitted in time. Predominant issues include unemployment for women from the age of 35, gender inequality, farming projects etc.

h) Programmes.

Table 6: Programmes for Women

PROGRAMMES	DATE	CONTENT	STAKEHOLDERS
Forums revival	03 January 2017	Reviving and reconnecting the Forums. Call women and find members willing to be active.	
Crimes against women and children campaign	14 June 2017	Crimes against women and children campaign.	SAPS RED CROSS
Women's dialogue	15 June 2017	Women abuse and killing should come to an end.	DOH RED CROSS ESST DSD
Women's day celebration "Be bold for change"	04 August 2017	Women's day (Dialogues were conducted)	DOH DAC DSD SANCA SAPS CRISIS CENTRE GCIS BLACK CHILD FOUNDATION SASSA

i) Achievements.

Dialogues have been held where issues such as women's health, women empowerment, inequality have been addressed.

j) Empowerment.

Women are empowered by our programmes to participate fully in economic life across all sectors.

k) Challenges.

- **Geographical spread for zones.**

It is impossible for the forum to sit at their meetings because of the Geographical spread.

- **Members who resign.**

Some members resign and it becomes a challenge for the forums to operate. Their resignation is influenced by the lack of permanent staff with resources and the lack of a stipend.

- **Resistance with working with new staff**

The Fora also has resistance in working with new staff (students or interns) when the contracts of the previous staff expiries.

l) Recommendations.

Geographical spread can be overcome by electing more committees closer to the people. For the members who have resigned the chairperson must co-opt other members. Regarding the minutes submission, the forum is told to give it to war room secretaries to submit on their behalf.

3.14.15. Men.

a) Structure.

There are five Men Forum structure in each zone and each structure consist of seven members namely: the chairperson, deputy chairperson, secretary, deputy secretary and three additional members.

b) Functionality.

Involvement of stakeholder's poor involvement of stakeholders in monthly meetings, however, they do attend events/programmes.

c) Programmes.

Table 7: Programmes for men

PROGRAMMES	DATE	CONTENT	TARGET	STAKEHOLDERS
Grooming young minds	25 August 2017	Addressing social ills on men and young men	Men and young men	DOH TRADITIONAL HEALERS
Men's Dialogue	21 June 2017	Addressing issues faced by men	Men	- ESST - DSD - DOH

d) Achievements.

❖ Dialogues.

Dialogues have been held where issues such as social ills, health issues, violence against women and children, culture, moral regeneration etc. have been addressed.

❖ Empowerment.

A workshop was held on farming.

e) Challenges.

❖ Geographical spread for zones.

It is impossible for the forum to sit at their meetings because of the geographical spread.

❖ Members who resign.

Some members resign and it becomes a challenge for the forums to operate. Their resignation is influenced by the lack of permanent staff with resources and the lack of a stipend.

❖ Resistance with working with new staff.

The Fora also has resistance in working with new staff (students or interns) when the contracts of the previous staff expiries.

3.14.16. Substance Abuse.

a) Structure.

The Local Drug Action Committee was established on the 14th of September 2017. The portfolio is as follows: Chairperson, Deputy Chairperson, secretary, deputy secretary.

b) Functionality.

❖ Involvement of stakeholders

Stakeholders do not attend meetings that makes the structure not functional. Stakeholders like DSD, are of high importance in this committee but very little participation is received from them.

c) Programmes.

Table 8: Programmes for Substance abuse

PROGRAMMES	DATE	CONTENT	TARGET	STAKEHOLDERS
March against substance abuse.	30 October 2017	The march was to create awareness of drug abuse in areas with a high level of substance abuse.	Primary School (Mtimande Primary School)	-DSD -DOH -SAPS -Red Cross -SANCA -Correctional Services -Crisis Centre -City of Refuge -Madadeni Rehab
Sports Day Awareness Campaign	14 December 2017	Create drug abuse awareness through fun activities and engaging people in sports	Youth	-DSR -DSD -DOH -SANCA

d) Achievements.

- The successful establishment of the committee has been achieved.
- People in the townships are now aware of rehabilitation centers.
- Youth engage in sports as a way of refraining from drugs.

e) Challenges.

- Stakeholders not giving their full support and participation especially in meetings.
- Lack of dedication from the structure members in terms of administration duties e.g. setting meetings, sending invitations, writing minutes etc.
- New drug introduced to people daily.
- Drug traffickers are hidden by communities who fear them

f) Recommendations.

- Co-opt a new structure.
- Send a report to the Mayor about the lack of participation from stakeholders.
- Include rehabilitation centers in the structure to make it functional.

g) Structure.

The structure was established on the 11th December 2017 and it consists of four members which are – Chairperson (Crisis Centre), deputy chairperson (Child Welfare), secretary (DSD), deputy secretary (Correctional Services) as well as all structures dealing with children related issues. Kindly note that the presence of Correctional Services is highly critical in addressing the issue of juveniles and diversities.

h) Functionality.

The departments and stakeholders are highly energetic and looking forward to more programmes for children.

i) Programmes.

Table 9: Programmes for Children

PROGRAMMES	DATE	CONTENT	STAKEHOLDERS
Stationary hand over	16 October 2018	Handing over of the stationary to leaners	ESST
Hiking for charity	04 November 2018	There was hike for charity done in partnership with social market in which the profits was given to the charity.	Social market
16 Days of Activism event	22 November 2018	Addressing child abuse at St' Antony's	Social market Black child SAPS DCS Another chance I matter foundation

			Thuthuzela care centre

j) Education institutions.

Impacting educational institutions has been made easier through the Operation Sukuma Sakhe programme. The table below gives an illustration.

Table 10: Invading Education institutions

NUMBER	SCHOOL	WARD	PROGRAMME
1.	Khwezi high Duckpoint Sekusile high Dedangifunde High	22 22 23 14	Grooming Young Minds-Focus On Young Men
2.	YWCA	28	Special Olympics
3.	Mtimande Primary	16	March Against Substance Abuse
4.	Zazi High	7	March Against Crime Towards Women And Children
5.	Phendukani High	27	Disability awareness campaign
6.	Vumani Sabelo YWCA	10 28	Workshop: employment life skills Programmes
7.	Bethamoya High	24	Stationery for needy pupils
8.	Amajuba TVET Newtech Campus MTC Campus	 5	Health testing and screening
9.	Thembalentsha High	11	Readiness and motivation for the year ahead. Addressing social ills
10.	St Lewis High	18	Champaign against : teenage pregnancy, substance abuse and crime
11.	Mdumiseni High	26	Champaign against : teenage pregnancy, substance abuse and crime
12.	Masihambisane High	34	Champaign against : teenage pregnancy, substance abuse and crime
13.	Thembinkosi primary	9	Champaign against : teenage pregnancy, substance abuse and crime

k) Achievements.

- During the dialogues issues such as children's needs, overcoming learning barriers.
- Social ills such as drugs were addressed.
- Children from the St' Antony's child and youth care center.

- Best achievers were given gift packs which were part of motivating.
- Certain schools were given stationery in preparation for the exams, and as a way of motivating students to do better.
- An event of Hiking for charity was organized in partnership with external stakeholders and the profit made was given to charity

I) Challenges.

- Children headed households.
- Malnutrition.
- Nappies for disabled children.
- Easy targets for trafficking.
- Child rape.
- Drugs use.

3.14. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT.

Newcastle Municipality has a legal mandate to promote social and economic development within its area of jurisdiction. It is also required in terms of Section 153 of the Constitution, to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community. In furtherance of this mandate, Newcastle Municipality has initiated a process towards the development of a Local Economic Development (LED) Plan as a sector plan to the IDP and a strategic guide for promoting equitable economic development.

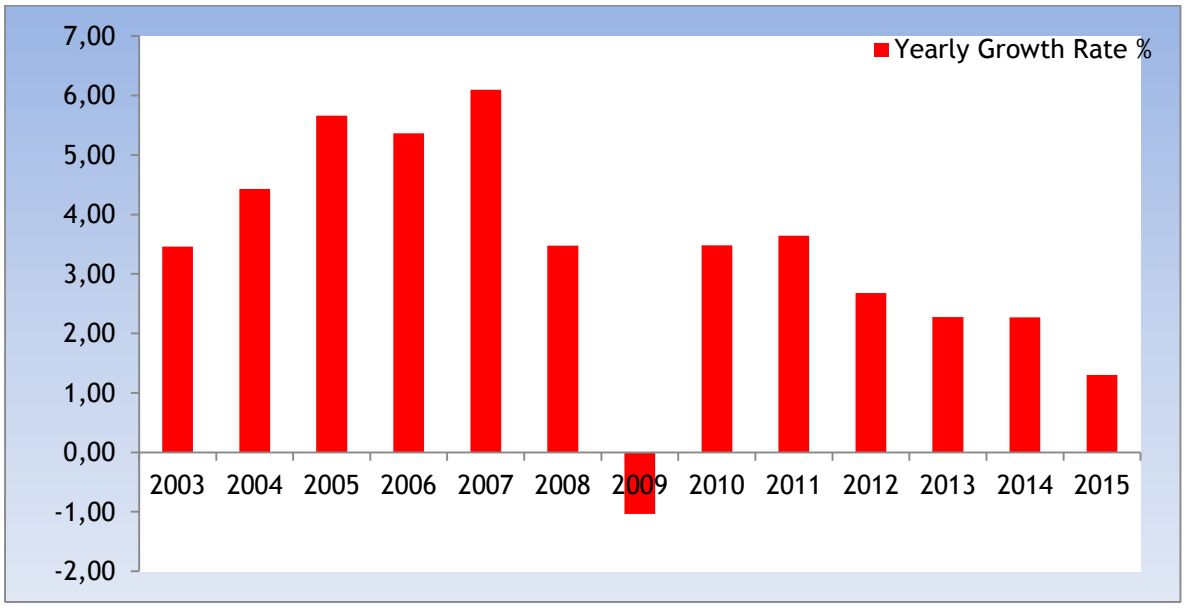
3.14.1. Local Economic Analysis.

a) Local Economic Analysis.

The 2011 national census estimated the population of the Newcastle Local Municipality at 363,236 individuals, with over 80% living in Madadeni and Osizweni townships (Statistics South Africa). The Newcastle Local Municipality is the main economic hub in northern KwaZulu-Natal, and, it forms part of the Johannesburg-Richards Bay-Durban corridor. This location provides an advantage to Newcastle, in terms of attracting businesses especially from Johannesburg. The local economy of Newcastle has experienced relative better growth when compared to other towns within the Province.

The diagram below provides a snapshot of the performance of the local economy over a period of ten years. The local economy peaked at 6% in 2007 and has since declined. The decline was not represented in all the sectors in the local economy as some sectors did in fact experience growth whilst others were negatively affected in terms of the global economy.

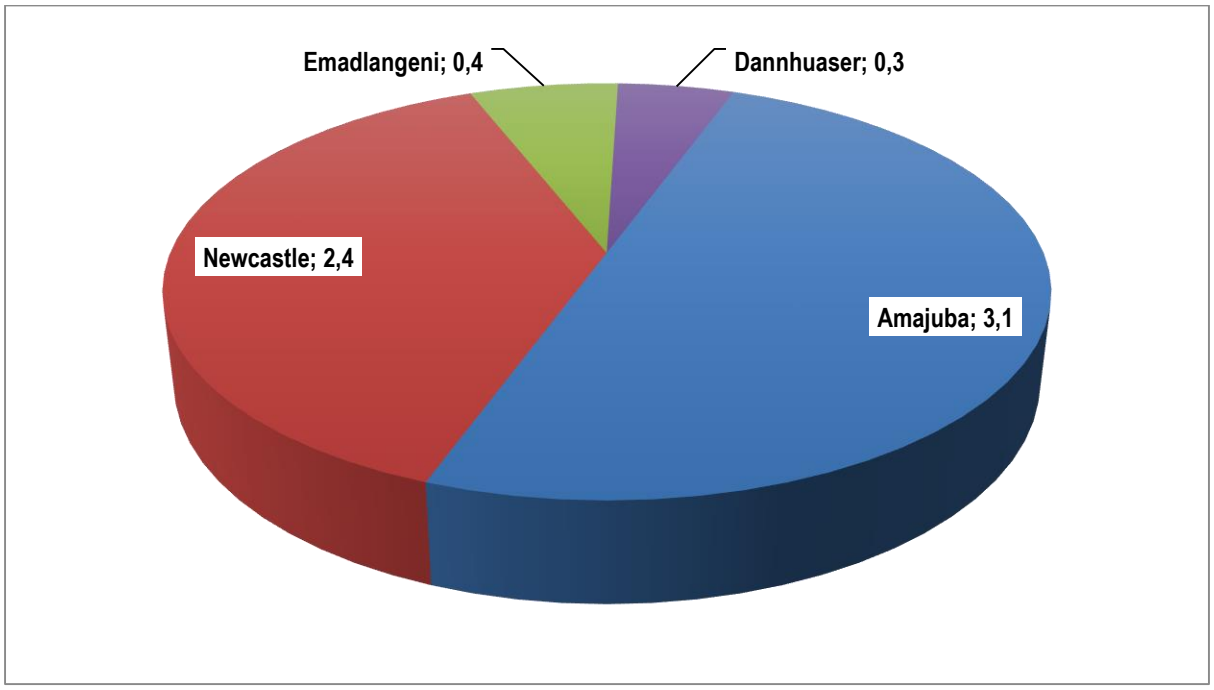
Figure 27 GVA for Newcastle over a Ten Year Period



b) Gross Value Added.

The figure below indicates that Newcastle Municipality accounts for the majority share of the Gross Value Added for Amajuba District. This confirms the dominance of Newcastle in the region and its role as the main economic hub.

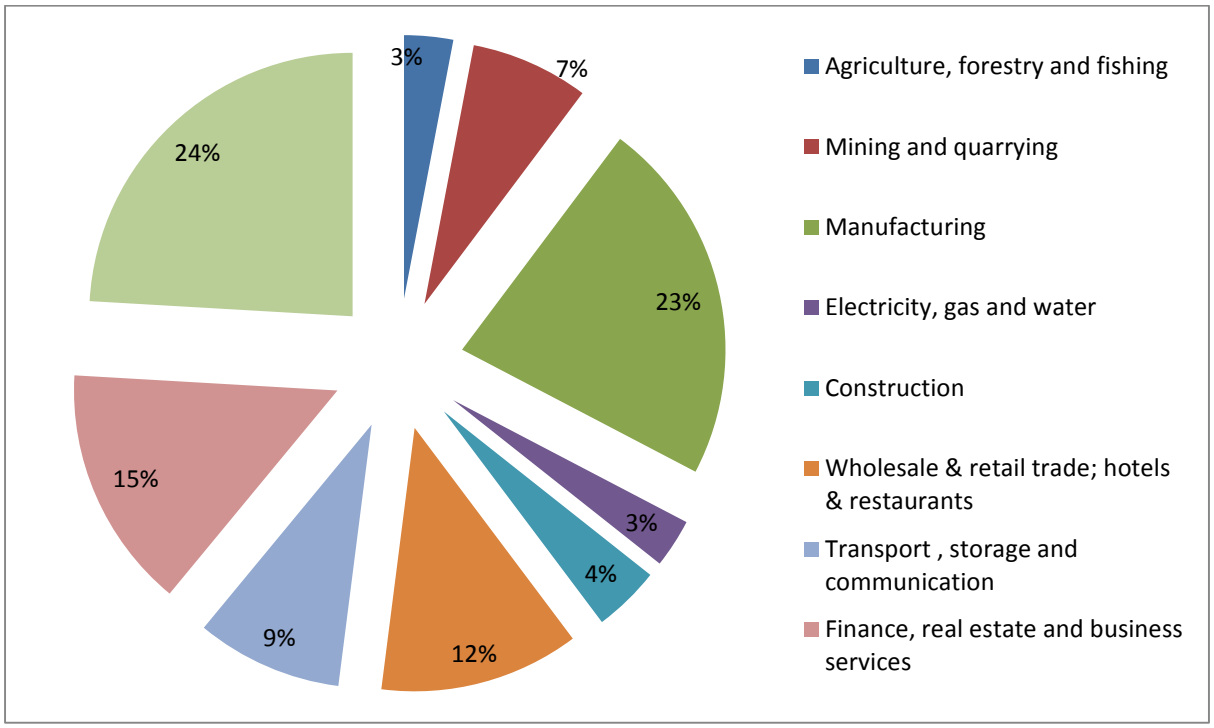
Figure 28: Gross Value Added (GVA) - Current Prices (R000)



Source: Global Insight 2012

The economy of Newcastle is largely driven by the manufacturing sector, which contributes approximately 27% to total GVA. This equates to almost R2,9 billion of the total R10,5 billion GVA generated within the district. This is higher than both the district GVA in relation to its contributions within KZN, and the provincial GVA contribution within the country which is approximately 25% and 22% of total GVA respectively. The manufacturing sector has only experienced modest growth in the past decade (2000 – 2010), with an average real annual GVA growth rate of 0.6%, in comparison with the provincial average growth of 2.2%.

Figure 29 Economic Sector Contribution to Gross Value Added



Other key sectors in terms of GVA contribution are the general government sector; wholesale and retail; and finance and business services sector. GVA generated through general government services is approximately R1,8 billion, which contributes 17.6% to total GVA. This sector has experienced average annual real growth of 2.6% per annum. Just over 17% of GVA can be attributed to finance (6.9%) and business services (10.2%), which collectively generate R1.8 billion worth of GVA to the Newcastle economy.

These have also been the fastest growing subsectors, with finance and insurance services growing at an average rate of almost 9% per annum since 2000, and business services growing at 6.2% over the same period. Wholesale and retail trade contributes R1.4 billion to the local economy, which accounts for almost 14% of total GVA. Wholesale and retail trade have been growing at a modest rate of 2.63% per annum from 2010-2015.

3.14.2. Key Economic Drivers.

a) Textile Industry.

The textile industry has been one of the only sectors that has shown growth over the last two years and more than 2000 jobs has been added to this sector. The sector is however dominated by Cut, Make and Trim operations which are dependant on agents sourcing goods for the major chain stores. It is estimated that more than 80% of locally sourced goods for Edcon and Mr. Price is manufactured in Newcastle. The industry is however exposed to competitiveness related issues like the R/$ exchange rate and competition from lower wage countries like Lesotho and Swaziland. The cost of labour

as a cost driver and input in the production process has been one of the main issues as the CMT prices have shown very little increases in the last few years. This has resulted in severe competition under CMT operators which are also exploited by agents who are sourcing goods for the main retail stores.

The Provincial Department of Economic Development, Tourism and Environmental Affairs has identified Amajuba District as a clothing and textile industrial hub. The clothing and textile industry in Newcastle currently employ more than 10 000 local people and remains one of the key sectors in Newcastle

b) Steel Industry.

The steel industry in Newcastle is dominated by the Arcelor/ Mittal plant which is the the second biggest steel plant in the country. Although the Newcastle based operation used to be the best performing plant in the Arcelor/Mittal group it became under pressure in the late 2016 with the result that in 2017 the company proceeded to issue section 198 notices to all workers informing them of impending retrenchments. The main reason for the slump in the industry can directly be atrributed to the low growth in the South African economy. The profile products manufactured by the local plant is used in infrastructure projects like buildings, railway lines and large construction projects.No big scale infrastructure projects were undertaken by government and the private sector due to the slack economic period and uncertainty about economic policies.

The industry has also been in disagreement with governement over import parity prices adopted by the industry and the carbon tax issue. In light of the recent pressure on the industry, an alliance consisting of government, labour and the industry held a series of meetings to discuss the state of the industry and measures that could be employed to curb job losses and defend the local industry in the context of global trade. The industry submitted 10 core demands to government that would ensure competitiveness, sustainability of the industry, amd to protect jobs within the industry. These core demands include the following:-

- Imposing tarrifs on cheap imports from China.
- Focusing on steel for government infrastructural spending.
- Urgent roll out of governement 18 key infrastructural projects.
- Banning of scrap steel exports so thal local industries can benefit.
- Delaying implementation of the carbon tax.

c) Chemical and Plastic Industries.

The industry in Newcastle is largely focused on the export market with about 85% of output intended for the export market. The industry in Newcastle is well established, suitably located close to a gas pipeline and railway lines and has support from the municipality through efficient electricity supply.

Although the industry used to be reasonably stable, the lack of demand for products by both the local and global market has affected the profibality of some plants and

one of the major chemical plants has recently been put under business rescue.The Municipality is doing everything in its power to ensure that the plant stays open in order to circumvent job losses in our economy.

The plastic industry is dominated by the largest PET plastic bottle recycler in South Africa, the 2nd largest injection moulding company who produces more than 500 plastic household items and a plastic compound manufacturer. The plastic industry has been very stable and remains one of the major contributors to our economy.

d) Wholesale and Trade.

This sector is mainly supported by the general well-being of the local economy. Unfortunately new Commercial developments had an impact on the CBD as a number of shops are currently vacant. Newcastle has become the commercial hub of North Western Kwazulu Natal and the retail sector is supported by visitors from 100 km radius from Newcastle. Increased consumption sustains this sector and also ensures employment based on its high labour requirements. There has been a number of new commercial developments in the past 5 years which shows that this sector is growing despite other sectors that are shrinking. Examples are new malls like Newcastle mall, Theku mall and the new Spar complex.

e) General Government.

This category is generally stable in terms of employment with Newcastle also accommodating some of government's regional offices. The recent establishment of the Regional SARS offices in Newcastle is evidence of the regional role that Newcastle is playing and we need to attract more government departments to strengthen our regional role.

3.14.3. Comparative Competitive Advantage.

Newcastle Municipality's holds a variety of competitive advantages. Included amongst these are:-

- Highly developed manufacturing complex, notably clothing and textiles, building supplies and metal products.
- Central location to major markets by road (N11 and N3 network).
- Fully functional local airport and planned scheduled flights for 2018.
- Established cargo rail link to Johannesburg and Durban.
- Well-developed Municipal infrastructure.
- Available commercial and industrial land.
- Substantial coal reserves that can be mined in future.
    - Organised agricultural sector that provides opportunities for agro-processing.

3.14.4. Investment Opportunities.

Newcastle Municipality has a range of key investment areas within the industrial sphere – most notable are down-stream beneficiation opportunities (steel, agriculture

and timber) and the prospects of new commercial and retail developments in the Madadeni and Osizweni areas. Based upon the comparative advantages highlighted above, Newcastle's key areas for investment lie within the following industrial sub-sectors:-

- Aluminum-based beneficiation products;
- Leather goods production;
- Textiles and textile products;
- Automotive components;
- Metal products and machinery; and
- Retail.

Land availability is a critical factor of Newcastle's attractiveness for investment – the prime sites available off the N11 en route to Newcastle Town have attracted much interest over the past 12 months. The current initiatives to formalise the airport precinct plan, the Equarand, and Blauuwbosch lay out plans and the creation of industrial sites in Osizweni will assist to make Newcastle more attractive to investors

3.14.5. Tourism.

The Newcastle Local Municipality developed a comprehensive Tourism Development Strategy and an Implementation Plan in 2013. The NLM Tourism Strategic Objectives, Targets and Vision are aligned with the District's targets

The tourism sector is currently a small contributor to the region's economy, but holds a number of opportunities that can be explored. NLM forms part of the Battlefields Route and this route is known to attract 7% of foreign visitors to KZN annually and approximately 42 000 domestic tourists (TIKZN Tourism Statistics, 2015). Amajuba has developed a Tourism Development Plan, as well as a development plan for the Battlefields route. The Tourism Development Plan seeks to implement strategies that would create facilities and the marketing of draw card attractions and activities in the district, while the Battlefields Development Plan seeks to the Battlefields located within the Amajuba District Municipality that have never reached their full tourism potential.
It is estimated that NLM generates approximately R116m in tourism related business per annum, with tourism related establishments generating R165m and creating 1 066 jobs in the municipality (Tourism Sector Report: 2015). Comparative advantages identified within Newcastle's Tourism Sector include the following:-

- Strong and well preserved historical heritage with well-developed museum structures.
- Falls within the Zulu kingdom and engenders good linkages to this cultural heritage.
- Halfway point on N11 between two major centres, Johannesburg and Durban.
- Gateway to Battlefields Region.
- Long history of hosting national sporting events.
- Well-established adventure tourism in pristine natural surroundings.

The main emphasis with regards to the development of the tourism sector within Newcastle relates to business, sports and events related tourism. This shall be done

through deliberate efforts towards the development of higher order sports facilities and also the attraction of high impact events as calendar events. Newcastle will strive to make itself known for periodic gatherings attracting people locally and outside in order to exploit the economic spin-offs for the benefit of the town. Upon analysis of the proposed direction towards the development of the tourism sector within Newcastle, it was decided that there is feasibility solely based on the ideal spatial positioning of the town relative to the wider region which makes such events sustainable.

Table 46: Summary of the district's strategic clusters.

Strategic Cluster	Strategic Thrust
Marketing – tourism growth & development (demand)	Market Amajuba's strength: Meetings, Incentives, Conferences and Events • Expand and improve tourism information • outlets and tools Branding and route development
Product Development and Planning	• Meetings, conferences and events product development • Heritage, avi-tourism and nature based tourism product development • Other niche markets, accommodation and recreational product development Infrastructure and support services development
People in tourism	• Ensure quality experiences through service excellence • Ensure transformation in the tourism industry Increase tourism awareness
Policy, strategy, governance, research & knowledge management monitoring & evaluation	• Improve tourism management through institutional and policy arrangement • Improve tourism management through improved research and knowledge management Entrench responsible tourism principles

The vision for tourism in Newcastle was developed based on inputs from key stakeholders, as well as considering alignment issues with the vision for tourism in KZN. The vision for the Newcastle tourism destination takes the following elements into consideration:-

- **Nature and outdoor** – there are a variety of protected areas, conservancies and nature reserves in the area, which is important for the type of tourism to be developed in the area;
- **Adventure –** the abundance of outdoor and rural experiences lend the area towards adventure tourism;
- **Heritage** – there are a number of important heritage assets, experiences and historical events associated with the Newcastle area;
- **Friendly, welcoming people** – the warmth and friendliness of the local people is a major component of the destination's attractiveness based on feedback from visitors to Newcastle;
- **Prosperity** – to emphasise the fact that a properly developed tourism industry can result in prosperity for the stakeholders in the Municipality; and
- **More than just a place to do business** – to indicate that the study area is a destination that is also attractive for leisure and other purposes of visit.

STRATEGIC GOAL 3: DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR		
Diversification of Tourism Attractions and Activities	Although there are a fairly wide range, the tourism activities within Newcastle, potential exists to enhance the sector through development of new activities and attractions. Sports tourism, in particular, has the potential to attract a wide range of visitors to the area throughout the year, and it is suggested that the municipality continue to work closely with tourism operators to identify new sporting events that could be established within Newcastle. Various tourism opportunities have also been indentified during the Amajuba Tourism Strategy (2012) of which those key to the Newcastle area have been pulled through into the strategy.	Development of the Battlefileds as part of the Amajuba Tourism Route (including cultural tourism). Action plan and funding to support establishment of business tourism and event tourism (particularly Sport Tourism). Development of opportunities along the MR483 Corridor linking the Newcastle CBD to Madadeni and Osizweni. Promote the development of Avi-Tourim (birding). Development of Ncandu River Dam Tourism.
STRATEGIC GOAL 4: IMPROVING THE INSTITUTIONAL AND POLICY ENVIRONMENT TOWARDS EFFECTIVE LED		
SMME Participation within the Tourism sector	The tourism sector comprises mainly of small business, from single-owned accomodation facilities to one-man tour guide services. The inclusion of small business is therefore critical to the success of tourism and, in particular, the development of informal and micro-tourism operators. This programme deals with the development of small busienss within the sector, focussing on the Tourism Ambassador programme, developpment of tour guide and site management training and capacity, identification of potential funding sources for tourism start-ups.	Continue support for the Tourims Ambassador Programme and create linkages with established operators. Provide Tour Guide and Site Management Training. Identification of potential funding for Tourism start-ups.

3.14.6. Agriculture.

Agriculture contributes about 3% to the local economy. While the contribution of the agricultural sector in Newcastle may seem particularly low, it remains an important sector for the following reasons:-

- The sector has the potential to create jobs.
- The pursuit of national food security requires continued agricultural production and investment.
- A focus of support to agriculture is important to build capacity and productivity in land reform projects.

- Agricultural development and support is aligned with prevailing rural development policy objectives.
- There are a number of catalytic agricultural projects that have been identified for Newcastle Municipality.

Animal production, Forestry and Agronomic (Field) crops are the key farming enterprises in the region. The high contribution of Beef cattle sales emphasises the high proportion of grasslands occurring in the area. Maize for the production of grain is the major agronomic crop, followed by Soya and Wheat.
Dairy was a significant contributor to Provincial GFI in 2002. Local Farmers Association members report that the Northern Natal Dairy Cooperative, which used to service 28 Dairy farmers in the Normandien area, was bought out by Clover and subsequently shut down. The cooperative acted as a catalyst for dairy and value adding projects. There used to be 28 dairy farmers in the Normandien area and since the closure of the Cooperative, numbers of dairy farmers has declined to three active dairy farmers in the area (Philipps, pers comm).

According to local farmers, the key commodities produced in Newcastle are:
- Agronomic crops – mainly soya, maize and wheat
- Commercial timber plantations
- Extensive beef production
- Poultry – broiler and layer production
- Wool and mutton in some regions, although this is on the decline
- Other manufacturing and processing activities are as follows:
- Cattle and sheep abattoir – halaal
- Poultry abattoir
- Grain mills – mostly private, with mill maize for whole maize, crush for poultry and maize meal for human consumption – hominy chop sold off as an animal feed

Agriculture in Newcastle faces a number of challenges. These include issues of land tenure and freehold, low penetration of commercial farming activity, low skills base of emerging farmers, land claims, increasing production costs, high transport costs etc.
Amajuba District Municipality commissioned a district level agricultural plan, which was completed in 2006. The main agricultural potential areas of the Amajuba District Municipality are intensive farming, irrigation, dry land farming and stock farming. The focus of Newcastle Municipality's agricultural planning is centred on the following investment opportunities:
- Soya bean production linked into oilcake and biodiesel production.
- Dairy products have massive potential. This include dairy based agro-processing opportunities for yoghurt, ice-cream, powdered milks, custards production.
- Floriculture, which is a sub-sector gaining momentum in the international export markets. Both traditional (roses, carnations and crysants) as well as indigenous (proteas, fynbos and bulbs) flowers are growing in popularity. The ideal location between two major export hubs (King Shaka International Airport and OR Tambo

International Airport) makes Newcastle highly suited to flower exports to Europe and the Middle East.

- Meat processing (both game and cattle) is an attractive option for investment. Game meat has grown in market share both locally and internationally. The Agricultural Plan estimated that an additional 30000ha of grazing land is currently underutilized in the municipality, representing a considerable opportunity in the offering. Aquaculture development with the major thrust being an aquaculture processing plant.

The current problem experienced in the Agricultural sector is the lack of policy and uncertainty regarding statements made about land expropriation without compensation which makes the sector hesitant to increase capital investment. Hopefully the uncertainty in the sector will be addressed so that the sector can grow optimally.

3.14.7. SMME Development.

The necessity for radical economic transformation is becoming more and more urgent and the Municipality must play its part in ensuring that its supports and promotes economic transformation. The following interventions are being implemented to ensure increased participation of the Previously Disadvantaged Individuals in the mainstream economy:-

- **Preferential Procurement Policy for SMMEs.**

A policy has been developed in terms whereof specific percentages of capital and operational budgets have been set aside for SMME's. This policy will be submitted to Council for approval.

- **Development of the contractor programme.**

Previously the Municipality initiated a programme for developing local contractors called Sebenzel' Ekhaya. The programme lost traction and there is a need to revive or develop a more structured contractor development programme.

- **Establishment of the construction incubator.**

The Municipality has taken a resolution to partner with Seda Incubator for the establishment of the construction incubator which will assist small businesses with technical and business skills to manage their businesses effectively and deliver on their projects. This initiative will be implemented once a budget becomes available.

- **Targeted Expression of Interest to cater for local contractors and service providers.**

CIDB has indicated that it is possible to earmark certain projects to be done by local contractors without any breach of law. This mechanism will support both the contractor development programme and the incubator but can only be done once the Preferential Policy for SMMEs has been approved and adopted by Council.

- **Skills development and training.**

Training workshops are being held periodically in response to training needs of SMMEs. However the Municipality needs to establish a strategic partnership with the FET College and other accredited training institutions to uplift and formally develop the skills of all contractors and service provider doing business with the municipality. Every competitive bid must budget for the training and development element.

- **Informal Trade sector.**

This sector deserves more focus and it is for that reason that an Informal Trade policy and bylaws have been developed for the sector. The promulgation of the bylaws has been delayed due to a request from the provincial department of economic development, tourism and environmental affairs who has requested us not to promulgate until such time that the KZN Business Bill has been adopted by the KZN Parliament.

- **Data Base of SMME's and Co-operatives.**

One of the critical aspects of SMME development is to have a data base of all SMME"S and Co-operatives and it is for this reason why the Municipality has started with a dual process to extract local SMME service providers and contractors from the National Treasury Data base. An advertisement will also be placed to request all SMME's and Co-ops to register with the Municipality.

- **Land Ownership.**

A land ownership survey was undertaken by one of our sister departments and based on the results obtained from the survey certain proposals were made to our Council regarding the disposal of land.

- **Red tape reduction.**

One of the critical aspects leading to the failure of SMME's is the number of laws and requirements that they must comply with. Depending on the type of business there can be up to 48 pieces of legislation that business and SMME's must comply with. Unfortunately most of these legislation lies in the National and Provincial Government domain and although we serve on various Provincial committees that address Red tape reduction we cannot always influence National and Provincial legislation. As a Municipality we have however simplified our Business Licence requirements and we only expect 4 categories of businesses to apply for licences.

3.14.8. Industrial Development (Manufacturing).

Manufacturing is has now dropped to the 2nd largest contributing sector within the Newcastle economy, contributing approximately 23% to total GVA. Manufacturing activities in Newcastle include metal production, chemicals and plastics, clothing and textiles, food and beverages, leather and footwear. Large industries are located within Newcastle and they account for over 83% of total GVA in the Amajuba District manufacturing industry, followed by Dannhauser with 12.7% and Emadlangeni with 3.8% of GVA.

Newcastle has a strong base of existing infrastructure geared towards manufacturing, and is considered an important node within the wider provincial manufacturing sector. Although the Arcellor/Mittal steelworks and the Karbochem synthetic rubber plant (which covers an impressive 500 000 m² of manufacturing space), dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the economic growth of the region.

The manufacturing sector consists of strong clusters of manufacturing industries, and has historically attracted a large number of foreign (mainly Chinese and Taiwanese) manufacturers. The sector consist of small and medium size factories, which presents the opportunity to diversify the manufacturing base to promote the growth of SMME's within the sector.

Overall, the manufacturing sector has only experienced modest growth since 2011, with average annual growth floating around 0.6%. The 'metals, metal products, machinery and equipment' industry contributes 53% to total manufacturing output within Newcastle, followed by 'petroleum products, chemicals, rubber and plastics' with 16%. This is largely due to the contribution of major manufacturers such as Arcellor/Mittal, Lanxess and Karbochem.

Furniture and other manufacturing contributes 10%, while the 'textiles, clothing and leather goods' industry contributes 8% to total GVA within Newcastle.

Other less significant contributors are 'food, beverages and tobacco (5%)' and 'other non-metal mineral products (3%)', with 'transport equipment' and 'wood, paper, publishing and printing' both contributing 2%. The 'non-metal mineral product' and 'wood and paper industries' experienced the most negative growth rates with -3.3% and -3.1% per annum on average since 2011 respectively.

Newcastle accounts for approximately 86% of all textile and footwear manufactured in the district. Although the industry has shown recent growth it still remains under threat due to partial non- compliance with bargaining council regulations and minimum wages. This non-compliance with these regulations is not unique to Newcastle as more than 60 % of the clothing factories in South Africa does not comply.

The problem however is that should compliance drives be done by the bargaining council and other role-players then we can expect that companies can close as had happened in the past where many clothing manufacturers who could not afford to comply with labour regulations have reverted to using their factory space as storage for imported textiles from China, while others relocated to Lesotho, Swaziland and Mozambique. These countries present low labour costs as their competitive advantage. A major concern on the side of textile manufactures is that there has been little to no support for them during these bargaining council discussions. This issue is a complex one, especially because it results from National labour regulation, and

therefore cannot be resolved through local initiatives. The worrying factor is that this industry accounts for over 30% of employment in the municipality.

The metals industry, despite contributing the greatest to total GVA, only contributes 27.7% to total employment. This indicates that the industry is less labour-intensive than industries such as clothing. Other significant contributing industries are 'furniture and other manufacturing' with 8.7% of total formal employment, and 'petroleum products, chemicals, runner and plastic' with 7.3% of formal employment.

3.14.9. Business Retention and Expansion.

It is common knowledge that expansion of existing business creates more jobs than to attract new investors and it is for this reason that the Municipality has adopted a Business Retention and Expansion Program as far back as 2010. The Program has recently been reviewed and the revised program has now been adopted by Council.

3.14.10. Mining.

Mining forms an important component of the economy of Newcastle and the history of organized mining in the municipality which has generated associated industries. Mining activities includes coal mining, brick clay, Iron Oxide, dimension stone, aggregate and sand. Particularly two areas are of interest, namely KIB and the MBO area.

a) Coal Mining.

Mintek (2007) estimates that 23% of the coal resources still remain within the Klip River coalfield, of which 51% are found in the Top seam and 49% within the Bottom seam. The coal reserves can (and probably will) be increased with additional coal exploration. It is also estimated that there are approximately 4.5Mt of *in situ* coal within the Klip River coalfield – a large portion of which is located within the Newcastle LM. The vast majority (87%) of this coal is considered to be thermal (or steam) coal with a minor portion (8%) of anthracite and 5% of metallurgical coal. The only coal mining and associated operations that appear to be taking place within the LM are related to dump / stockpile reclamation along the N11 outside Newcastle and to the east near the old Ngagane Colliery, as well as a char plant and siding stockpiles (for coal from outside the Newcastle area) within the Ballengeich area.
There are a number of areas where mining has ceased through decommissioning or abandonment, but rehabilitation has either not taken place or is incomplete. These include:

- Macalman Walmsley.
- Tendeka North Opencast (Osizweni area).
- Ballengeich / Natal Cambrian Colliery.
- Kilbarchan Colliery.
- Horn River Colliery – Gardinia.

- Witklip Colliery near Charlestown.

This has implications for environmental management in terms of water, ground stability and issues of safety. Many of the operations were underground with a number of audits (underground access points) that were linked to a single mining entity or operation. This has an impact on potential land use; however the footprint of the workings cannot be determined from surface[1].

According to the DMR, there are several prospecting projects that are currently being carried out within the NLM. The accuracy of this data is questionable as there are duplicate holders of prospecting rights over the same farms and farm portions. Nevertheless, coal applications are located north-south and east of the N11.

b) Iron oxide.

Iron oxide potential is concentrated east of Newcastle within the Madadeni / Osizweni areas. Two mines appear to have been operational to the far east of Osizweni, with a number of abandoned areas of mining or with mining potential. However, field verification of these areas show no latent evidence of mining, with most being within areas that are now built up. It is now unclear whether surface disturbance within these areas is from mining or construction activities. In general, it would appear that the deposits are small and may have been mined out. Mining of weathered dolerite within the area may be a source of iron oxide for pigment; however much of this may also be used in the construction industry.

c) Bauxite (Al).

Several bauxite occurrences have been reported from within the Newcastle LM. These can be found to the west and southwest of the town, but are all considered to be of insufficient scale and / or grade to be economically viable at this stage. However, further detailed exploration may well prove otherwise. At this stage, bauxite is unlikely to be mined within the LM therefore the potential environmental risk is low.

d) Dimension stone.

In the Newcastle area, there is an abundance of dolerite and sandstone, which both have potential as sources of dimension stone. The dolerite is commonly very dark in colour – due to its fine grain size and enrichment in magnetite – with the result that it is often commercially attractive and is marketed as “Black Granite”. Despite this, there do not appear to be any dimension stone mines within the Newcastle LM. Dolerite outcrops throughout the LM, primarily west of the N11. Although the quality of these deposits for use as dimension stone is currently unknown, there is significant potential.

e) Aggregate.

AfriSam have an aggregate quarry southwest of Newcastle town off the N11. This dolerite quarry appears to be well run and supplies gravel for crush and cement. A

number of other abandoned quarries and borrow pits are in evidence north and east of Newcastle town. Most of these would have been used for road construction and water services infrastructure, as well as for the local building industry.

f) Sand Winning.

There are plenty of quaternary deposits along stream and river courses for sand winnowing (such as along the Buffels, Horne and Ngagane Rivers) In the Newcastle area. Much of the sand mining within the Newcastle LM is associated with the wetland areas adjacent to water courses. Sand mining was prevalent east and southeast of Newcastle town. According to the DMR there is only one sand application (mining permit) northeast of Osizweni, however this information appears to be questionable as there are more areas where sand mining takes place. This could have serious environmental implications.

g) Brick clay.

There is a large number of clay deposits in the Newcastle Area which can be utilised for brick clay manufacturing

3.14.11. Local Economic Development Strategy.

Newcastle Municipality's LED Strategy was developed in the year 2012 and is currently in the process of being reviewed. The inception report has already been completed and engagement with all stakeholders will now start. it must be noted that the reviewed strategy must be responsive to the issues around LED within Newcastle as raised by the general public. Furthermore, the reviewed strategy must be aligned with the development imperatives contained in the PGDP and those of the DGDP.

a) Key Gaps and Challenges to LED.

A number of threats and constraints facing the local firms/industries and businesses have been identified and these have the ability to impede upon economic growth hence development of Newcastle. Such threats and weaknesses have been identified particularly within the agricultural sector and, in order to counteract the weaknesses, a number of strengths and opportunities have been highlighted that ensure effective facilitation of local economic development initiatives from a municipality's perspective. Newcastle Municipality is committed to addressing the challenges around LED even though some of the issues are not part of local government's prerogatives. The strategic goals which were developed are essential in addressing the key gaps and challenges identified and also to transform the various economic sectors within Newcastle.

Below is a table translating the key gaps or challenges identified during the situational analysis of Newcastle's LED into problem statements, and displays the strategic responses that have been developed to ensure that the problem statements are sufficiently addressed:-

PROBLEM STATEMENT	STRATEGIC GOAL IN RESPONSE
Good potential agricultural land, and opportunities that are currently underutilised	Expansion and diversification of the agricultural sector
Strong manufacturing base with the potential for expansion through diversification and addressing of challenges.	Expansion and diversification of the manufacturing sector
Under-exploited tourism assets.	Development and support for the tourism sector.
Institutional challenges exist which are threatening proper planning, implementation and sustainability of LED initiatives.	Improving the institutional and policy environment towards effective LED.
Under-developed infrastructure is deteriorating the potential for new investment and expansion of existing sectors.	Expansion and development of strategic economic infrastructure.
Low growth and success in terms entrepreneurship and small business expansion (Including informal economy development).	Effective support to the informal economic and development small enterprises.
Lack of industry-driven skills development and training.	Ensuring effective skills, education and capacity development.

Furthermore, the Newcastle Municipality's Department of Development Planning and Human Settlements conducted an Economic Indaba. The feedback from the INDABA entailed some recommendations on the route to be taken towards the development of Newcastle's local economy. Amongst the issues that were discussed are the following:-

ITEM OF DISCUSSION	BROAD LOCAL ECONOMIC DEVELOPMENT INITIATIVE
Broad local economic development initiatives	• Pro-active development-orientated political leadership. • Set clear roles and responsibilities on the political-administrative dichotomy. • Set up think-tank on local economic development. • Exploitation of the town's comparative and competitive advantages. • Identify downstream opportunities within thriving sectors. • Uplift people from the indigent register. • Upgrade EPWP jobs. • Promotion of events/sports and recreation (including arts). • Improve marketing and branding. • Sound financial management. • Policy shift to favour small emerging companies.
Growth engines/catalytic projects	• Establishment of a university. • Planning and servicing of the Equarand mixed use precinct. • Development at Newcastle Airport precinct.

ITEM OF DISCUSSION	BROAD LOCAL ECONOMIC DEVELOPMENT INITIATIVE
	• JBC urban hub precinct plan. • Exploit the remaining coal reserves. • Address land related matters – land release/tenure/rates for the municipality for development purposes. • Mass supply of middle income housing development. • Expansion of the industrial area. • Strengthen agrarian reform through partnerships between the Department of Rural Development and the municipality. • Support the informal sector. • Broadband Strategy for the provision of low cost connectivity.

Furthermore, the discussions identified key development challenges in the local economy that pose a threat to economic sustainability and these were organised in terms of the different sectors of the economy as follows:-

ECONOMIC SECTOR	SECTOR SPECIFIC GAPS OR NEEDS
Agriculture	• Development of dams and supportive water infrastructure. • Regeneration/redevelopment of vacant farms. • Encouragement towards the growth of agro-processing industries. • Relationships and understanding of farming. • Coordination between stakeholders in terms of agricultural development. • Support for small-scale and emerging farmers. • Support mechanisms for farmers. • Tunnel farming, dry land farming and livestock farming. • Fast tracking the process of land reform.
Manufacturing	• Provision of zoned industrial space. • Assistance and support to the textile industry to reduce and reverse job losses. • Leverage of national incentives and funds to encourage industrial development. • Development of a clear vision for the manufacturing sector. • Promotion of investment into new technology. • Diversification of the sector. • Manufacturing of renewable energy products. • Regeneration of vacant or under-utilised industrial space.
Institutional	• Access to funding for implementation of LED interventions.

ECONOMIC SECTOR	SECTOR SPECIFIC GAPS OR NEEDS
	• Improvement of intergovernmental relations and coordination (between national, provincial and local government, SOEs and traditional authorities). • Strengthening of public-private partnerships. • Effective investment promotion and facilitation (including incentives). • Business retention and expansion programme. • Efficient project and financial management for LED initiatives (project management unit to run LED projects). • Reduction of red-tape and the collective administrative burden. • Improve collections. • Political buy-in.
Skills development and training	• Ensuring tertiary institutions are producing skills aligned to industry demand (especially manufacturing and agriculture). • Need for private and public sector apprenticeships and internships (including support for companies currently undertaking skills development and training). • Retention of skilled personnel within Newcastle.
Infrastructure	• Upgrade and increase the capacity of the N11 and R34. • Encourage regeneration of the rail network for both passenger and cargo transport. • Development of bulk services (including dams and water infrastructure). • Inland logistics hub with supporting industrial development for export-orientated manufacturing. • Improve access to land for development (public land, private land and Ingonyama Trust Board land). • Upgrading of the Newcastle Airport. • Continued maintenance and development of recreational facilities. • Assistance in the provision of infrastructure for small-scale farming such as fencing and dip-tanks. • Tariff modelling and cost of supply study. • Optimise the utilisation of MIG.
Tourism	• Provision for a one-stop information centre. • Establishment of local tourism forum or CTO. • Need for more funding for tourism (maintenance, infrastructure upgrades, and new facilities). • Encouraging development of tourism activities within Madadeni and Osizweni. • Need for comprehensive tourism research. • Expansion of business and event tourism. • Marketing of the region.

ECONOMIC SECTOR	SECTOR SPECIFIC GAPS OR NEEDS
SMME Development	• Growth of sustainable SMMEs in areas such as Osizweni and Madadeni. • Enhancing local procurement (including proper management thereof). • Business support and financial assistance to SMMEs. • SMME development through linking to value chain manufacturing, tourism and agriculture.

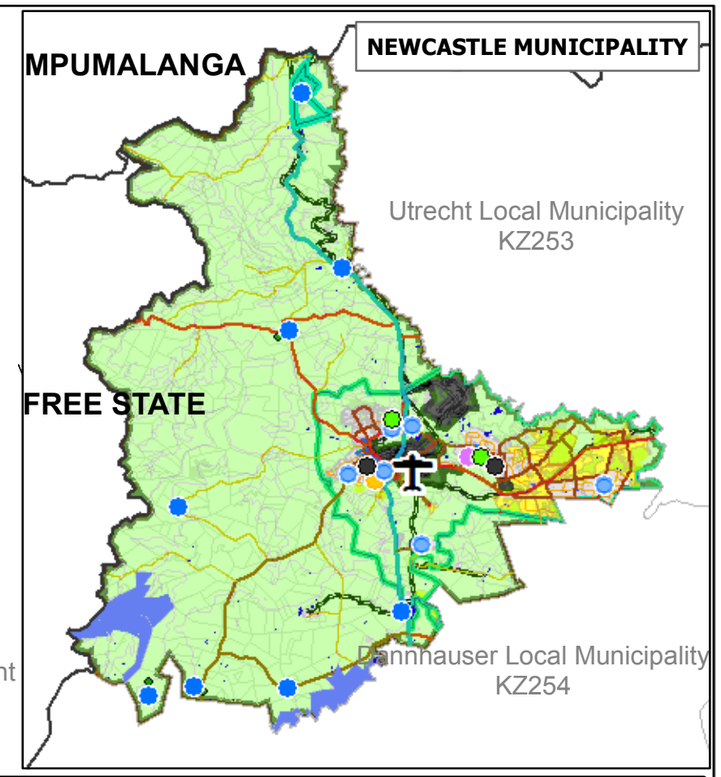
b) Programmes towards addressing LED Challenges.

In terms of the departmental capacity to deliver on the DGDP objectives and intervention areas, the capacity is currently insufficient as there are only 8 qualified personnel whereas the approved organogram makes provision for 24 personnel thus meaning there is a shortage of 16 personnel. The lack of capacity is particularly around specialist staff who have agricultural and economic expertise.

The following short ,medium and long term programmes have been identified to address some of the LED challenges:-

SHORT TERM (0 – 6 MONTHS)	MEDIUM TERM (6 – 12 MONTHS)	LONG TERM (>12 MONTHS)
Extended public works programme (EPWP).	All items in 0 – 6 months are still applicable	Renewable energy projects focusing on solar and wind-turbine farms including the conversion of waste to energy.
INEP	Manufacturing concrete products to be provide as inputs in all construction projects of the municipality (e.g. establishment of the brick manufacturing yard)	Promotion and development of SMMEs to make VIP structures, door and window frames, street lighting and mechanical pipes.
Intensive construction (e.g. roads rehabilitation and side-walks).	Promote water re-use which should work to support the agricultural sector.	Explore the mining potential that exists within the town in partnerships owners of mining rights and prospective investors.
		Support small quarries to establish business that can work with the municipality, Department of Roads and Transport and Public Works.
Water Conservation and Demand Management (WCDM).	Land is a means for production and the municipality should consider providing land at reasonable costs to unlock the economic potential of the town.	Maintenance of tourism infrastructure for the attraction of visitors to Newcastle and promote use by local residents for revenue enhancement and job creation.
	Municipality should also consider developing and servicing land upfront so as to use attract potential investors.	

SHORT TERM (0 – 6 MONTHS)	MEDIUM TERM (6 – 12 MONTHS)	LONG TERM (>12 MONTHS)
Use the Municipal Infrastructure Grant (MIG) to promote labour intensive programmes for job creation.	Local office support programme towards industrial innovation.	Establishment of an International Convention Centre to attract major conferences and events.
Ncandu River Clean-up Project		Bus Rapid Transit System (BRT).
Strengthen agrarian reform to support emerging farmers.	Develop a Broadband Strategy to ensure coordination roll-out of broadband.	Supply of middle income housing development.
Support the informal sector	Expansion of the industrial area and establishment of an industrial area in Newcastle East.	Exploitation of the coal reserves.
Address land issues.	JBC urban hub precinct plan.	Establishment of a university.
Development of Newcastle Airport.	Planning and servicing the Equarand precinct.	



Newcastle Town
Madadeni
Khathide TA
Osizweni
JBC
Kilbarchan
Ingagane
HOMER
SHAKESPEARE
NEWCASTLE
N11

LEGEND

Existing Roads
- Class 1
- Class 2
- Class 3
- Class 4

Built Environment
- Existing Built-up Areas
- Airport Precinct
- Commercial Agriculture
- Administrative Precinct
- Big Mixed Use Node
- Small Mixed Use Node
- Protected Areas
- Stewardship Sites
- Dams

Other
- Airport
- Railway Line

Boundary
- Newcastle Urban Edge
- Development Boundary

Major Nodes
- Rural Nodes
- Educational Nodes
- Medical Nodes
- Commercial Nodes
- Neighbourhood Node
- Regional Social Facility Nodes
- Mixed Use Nodes

N

1 : 130 000

0 3 6 9 Kilometers

SDP 2017/18

NEWCASTLE LOCAL MUNICIPALITY/UMASIPALA WASE NEWCASTLE * ECONOMIC DEVELOPMENT

MAY 2017

3.14.12. Newcastle Airport Techno-hub.

The Newcastle Airport Techno-hub concept is based on the dynamic and integrated trio of institution, enterprise and business whose main aim is to generate innovation. The institutional sphere involves knowledge generation through students and research activity which feeds into the enterprise sphere associated with business support, idea generation and training and technology transfer to develop small businesses to eventually expand to become medium to large establishments. These spheres combined, result in innovation and a sustained knowledge economy.

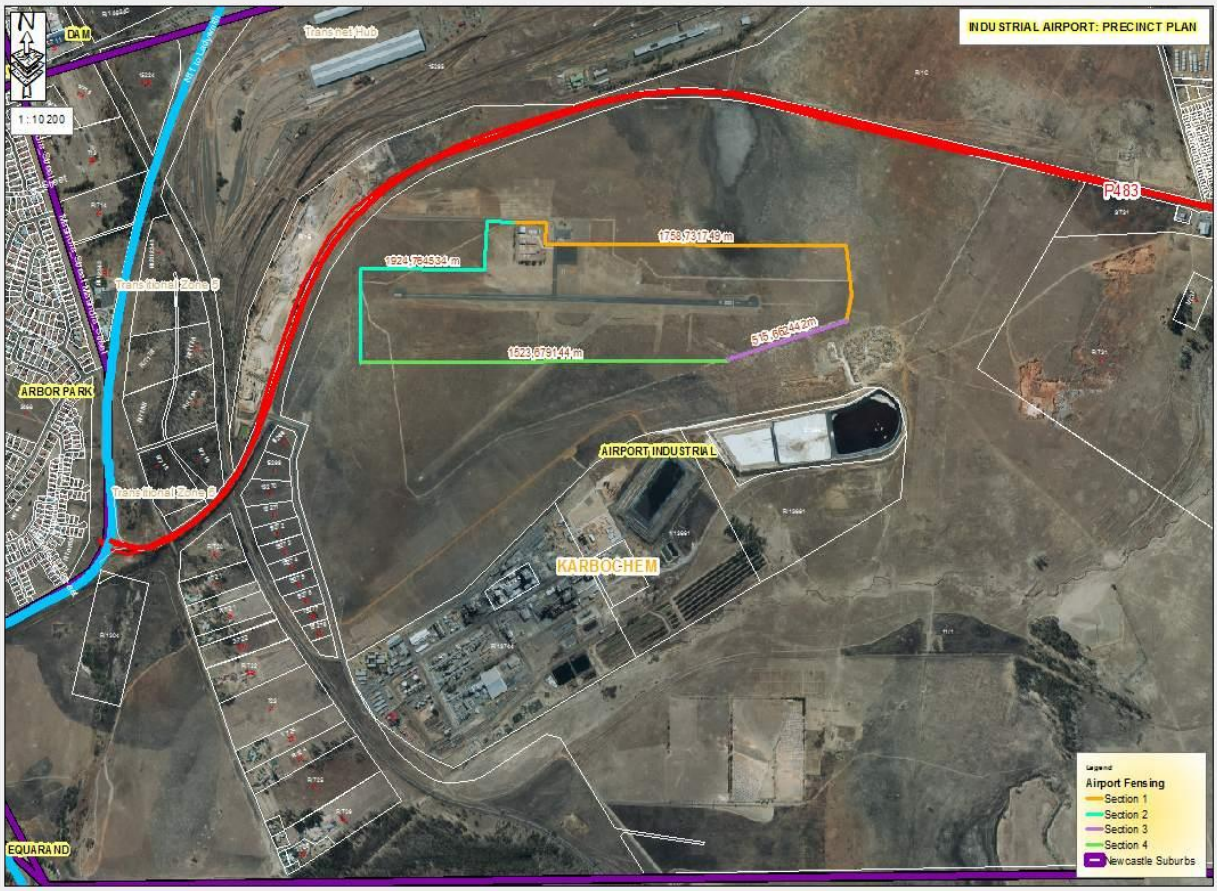
The techno-hub is defined as “an enterprise associated with research, development, design and related activities in the high technology sector which is accommodated in park-type work environment specifically created for the industrial needs of the enterprise concerned.”

The main attributes of a technology hub include:-

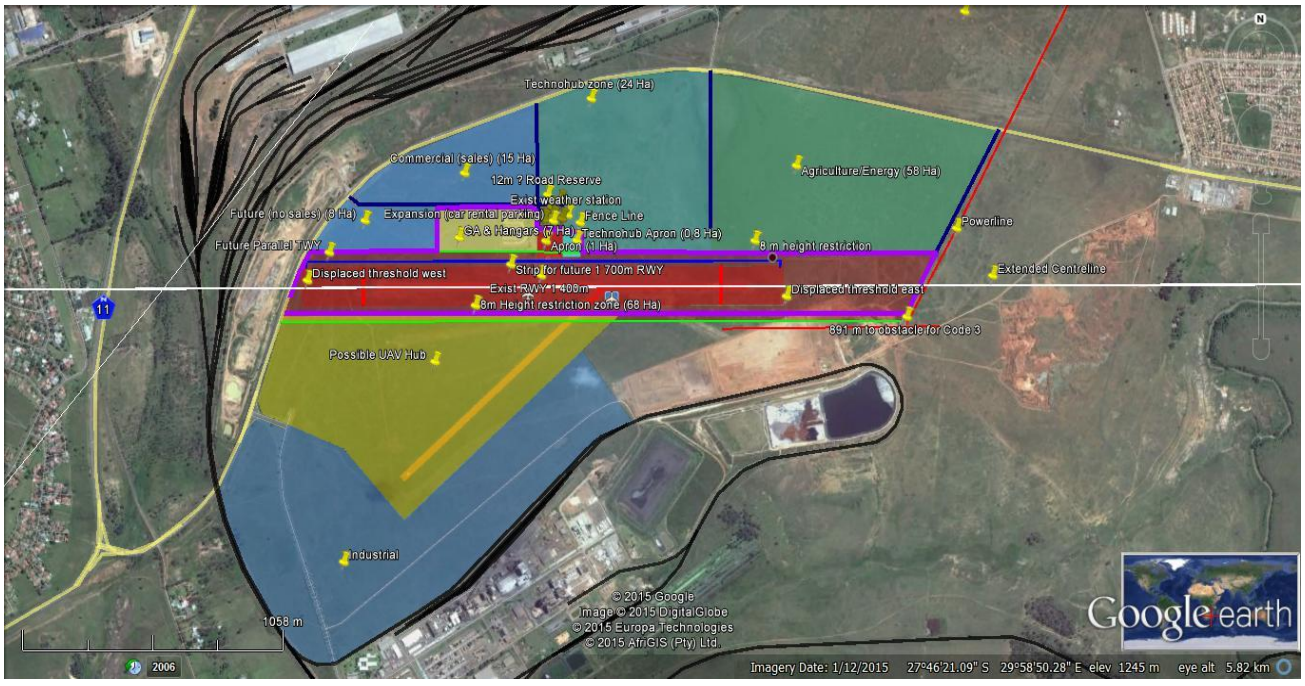
- Specialised Business Park with tenants focused on technology, and scientific research;
- Close alignment to tertiary institutes, and their academic staff: parks linked to wider innovation and collaboration between formal educational institutions; research firms and the end user business;
- Business incubation and support and technological capacity building;
- Creating business synergies;
- Should have good physical infrastructure, steady power, communal services like security and management and often shared business administrative services; and
- Facilities should include, manufacturing, high level training, technology and business incubation, financing institutions, standardization and calibration laboratories, and testing.

The main aim of a techno-hub is the commercialisation of innovative ideas through which products, processes, strategies, and services are formulated to create jobs and to generate wealth in Newcastle. The notion of a techno-hub is supported by all business chambers within Newcastle. Such support is mainly vested upon the anticipated job opportunities which will emanate through the hub. This will have an advantage in terms of the existing pool of advanced wireless and IT companies that are within Newcastle. The benefits of establishing a techno-hub are not only limited to job creation only, but also to investment opportunities and skills development.

The Project will be executed over a two (2) year period starting from March 2015, and the techno-hub site will be owned by the Municipality as an asset and managed preferably by a separate Municipal Entity. The airport was identified as an integral part of the hub, and the hub entity will be required to include services to the hub such as security, cleaning and other operating facilities. Training facilities will accommodate the National Development Skills Plan (SDPS), and the hub will be in a state that will enable to compete with other International techno-hubs.



Map 12: The current site where the Airport is situated.



Map 13: Techno-hub development plan.

With the development of the Techno hub, the old Airport will undergo a series of improvement such as fencing, sewer upgrades, and the upgrading of the terminal building. The following entails an outline of the objectives as raised by the stakeholders of the project, including those of the Department of Science and Technology, through various engagements with the municipality:-

- Ensure that the Techno Hub meets the National Development Plan, Regional and Local IDP Development Plans;
- Envisaged as a mechanism of Innovation and Knowledge development;
- Important that the Newcastle Municipality and Treasury emphasize the purpose of the hub to their stakeholders, it is not meant to be a Business Park;
- Meant to bring together Academia/Business/Government in order to generate knowledge and R&D as a balanced approach;
- Must be reperesantive of the community with a forum to manage the hub with independent and neutral stakeholders;
- Training facilities to accommodate the National Development Skills Plan (SIPS);
- Require the hub to be a Balanced Playing Field with realization of dis-quality;
- Be able to compete with International Techno-Hubs; and
- Revive the economy through the development of the hub.

In addition to the abovementioned objectives, some other issues to be taken into cognisance and which are essential to establishing a world class techno-hub were raised by the stakeholders and these are as follows:-

- Request for free wifi at the techno-hub;
- Investigate the student facilities required for the transfer of skills towards skills development for the community;
- 67% of the Newcastle industry is within the manufacturing sector;
- The entire hub precinct detailed in Spatial Development Plan of municipal site to be called techno hub site;
- Adopt a techno hub will suit South Africa, as other countries models not suitable;
- Should have a separate Municipal Property Entity formed to own and manage the precinct;
- Due diligence should be performed on any Business/Tenant entering the hub;
- Techno-hub to create development for Skills Science and Technology.

3.14.13. Newcastle Municipality EPWP.

Newcastle Municipality's IDP is formulated in line with the strategic directives of the KZN PGDS, and is also fully aligned to the national development goals. Amongst other things, the PGDS gives focus to the delivery of infrastructure and basic services in order to address the identified backlogs. It also places emphasis on intervention towards socio-economic well-being within KZN. The status of the physical and economic development of a community is measured based on the the provision of quality infrastructure for technical services i.e. quality of roads, access to electricity, access to water and sanitation. Within Newcastle this has proven to be a huge challenge evident in the form of the contrast between the need for maintaining existing

roads within the urban areas and the provision of new roads in rural areas, inlcuding basic services. The challenge is further exercerbated by the need to attend to the various needs of the community whereas there are limited financial resources. However Newcastle Municipality has made progress in addressing the development challenges and, in the process, has made progress towards socio-economic transformation through the provision of employment opportunities that also advocate for skills development through the EPWP.

a) Key focus area of Newcastle EPWP.

The key focus area of the Newcastle Municipality's EPWP may be summed as the Triple-Bottom Line – social, economic, and environmental development. In terms of social development, the focus is on contractor development in what is known as the Sebenzel'ekhaya Programme. In terms of environmental sustainability, the focus is on building environmental knowledge and a culture of sustainability through the Food for Waste Programme which has saw Newcastle Municipality receiving accolades for being the cleanest town in the KZN province. In terms of economic development, Newcastle continues to create a conducive environment for attracting investments and subsequently economic development. This is done through municipal projects for road maintenance and unblocking of stormwater drains in naming just a few.

The Siyazenzela Programme may be deemed as one of the success programs of the municipality. The name of the programme translates to "we're doing it for ourselves," and it was initiated by two municipal departments namely - the Department of Technical Services and the Deaprtment of Community Services. The intension was to reduce the levels of unemployment within Newcastle whilst also fighting against poverty. The main beneficiaries of the programmes are the previously disadvantaged communities targeting specifically the poorest of households usually characterised by a general lack of skills due to absence of any form of formal education. The programme started on the 4th of June 2012 and will be completed at the end of EPWP Phase II. Training of labourers in relation to the programme is done through the Amajuba FET College.

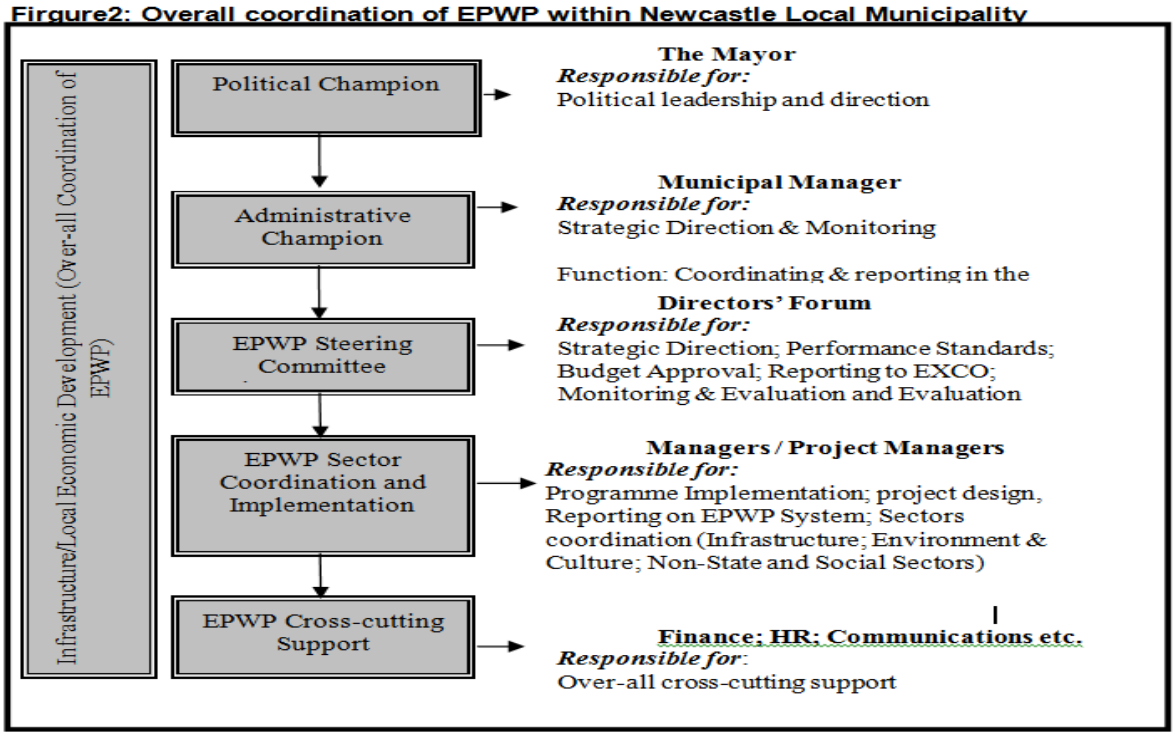


Figure 30: Overall coordination of EPWP within NLM.

So far the Newcastle Municipality EPWP has had a lot of success with regards to the outcomes of its implementation. Under the municipal infrastructure programme, there has been 127 (55 Females and 72 Males) beneficiaries which includes. There has also been an additional 248 (136 Females and 112 Males) beneficiaries within municipal initiatives for improved environmental management which translates to a total of 375 jobs created since the EPWP started within the Newcastle Municipality. Based on the numbers presented above, it is also evident that the programme is also addressing issues of gender equalitythrough women emplyment. Some of the beneficiaries of the programme have also received training for environmental management and the details of the training are as follows:-

UNIT STANDARD TITLE	USA SAQA ID	US NQF LEVEL	CREDITS	DURATION
Apply Environmental Management tools to assess impact	119554	2	5	6
Keep the work area safe and productive	13220	2	8	10
Participate in work group activities	13258	2	4	5

b) Phase III Targets.

The following entails Newcastle Municipality's EPWP targets for phase 3 and these relate to the number of people to be employed under the programme within municipal development initiatives:-

FINANCIAL YEAR	TARGET NO. OF PEOPLE
2014/15	784
2015/16	969
2016/17	1 160
2017/18	1 424
2018/19	1 568

The following entails projections for 2015/16 in terms of budget allocations from a municipal perspective for EPWP:-

ALLOCATION (R)	TARGET NO. OF PEOPLE	SALARIES (R)	PPE & TOOLS
3 286 000.00	239	2 868 000.00	R418 000.00

3.14.14. SWOT Analysis: Local Economic and Social Development.

STRENGTHS	WEAKNESSES
• Central location to existing industrial centres - Johannesburg and Durban • Good existing agricultural and manufacturing base • Large domestic market - located between the Gauteng, KwaZulu-Natal and Free-State markets • Array of events that occur within Newcastle attracting thousands of people each year, as well as business visitors • Good base of educational and research institutions (a number of higher education institutions including Amajuba college, Damelin, Boston and UNISA) • Relatively reliable transportation network and relatively good basic infrastructure • Relatively safe locality • Close proximity to mining centres – mainly Dannhauser and Mpumalanga	• Lack of value-adding (including agro-processing) • Decline in employment within agriculture and manufacturing • Insufficient funding for the implementation of LED projects • Lack of coordination between the private and public sector (especially provincial and national departments relevant to the project) • Poor institutional support and assistance in the region from public sector. • Red-tape is creating an regulatory and administrative burden for business (incl environmental processes) • Current weak tourism sector • Lack of business retention and expansion • High levels of unemployment • Inadequate infrastructure (road and rail network, and bulk services) • Limited access to credit
OPPORTUNITIES	**THREATS**

• Community development through agro-processing and community agricultural projects • Diversification of the manufacturing sector and development of new value-chains (incl renewable energy products) with a clear vision • Infrastructure development • Opening of new mines in Dannhauser (30 km away) - Newcastle has traditionally provided housing for mining workers • Targeting of national, provincial and regional sporting events and conferences/functions • Capturing of the new emerging skilled workforce • Development of an ICT and Innovation base within Newcastle to stimulate the knowledge economy (including industrial product design) Investment promotion and facilitation (including development of incentives) • Development of under-utilised or unutilised agricultural and industrial land (vacant farms and industrial lots) – such as an inland logistics hub geared for exports • Promotion of business retention and expansion programmes • Upgrading of the airport • Establishment of industry driven training and skills development through internships and apprenticeships.	• Increased international competition in both the manufacturing and agricultural sectors, with limited protection or support from government • Threat of mechanisation in both industrial and agricultural development • Increasing input costs (electricity, transport, capital and equipment) • Collapse of the rail network and unreliability of the current rail service • Corruption and a lack of accountability (financial and management) • Worsening climatic conditions which have translated into water scarcity and therefore negatively impacting on farming around Northern KwaZulu-Natal. • National labour regulations which has impacted negatively on the textile industry with little support for the industry by local government • Lack of relevant and suitable skills being produced by FET and tertiary institutions (particularly engineers) • Land reform and associated challenges (poor skills transfer to new farmers, slow process, etc)

3.15. GOOD GOVERNANCE AND PUBLIC PARTICIPATION.

The Newcastle Municipality is a Category B Municipality. It functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee. The Council consists of 61 councillors of which 10 are full-time councillors. 31 of the 61 councillors are ward elected councillors while the other 30 comprises of proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Executive Committee serving as a Chairperson and Deputy Chairpersons.

3.15.1. Intergovernmental Relations.

Newcastle Municipality participate in the District IGR forum which is in two folds, the Mayors Forum and the Technical Forum for Municipal Managers. These Forums gives the strategic and political direction for all municipalities within the District particularly on planning and development. There is also a Growth and Development Summit that is being held annually for municipalities to discuss development agenda for the region. Newcastle being the District bub takes the leading role as well as the centre stage on infrastructure development and economic issues. At the Provincial level, the municipality participate on the Premiers Coordinating Forum and Min-Mec Forum for Municipal Managers. For Economic Issues, the municipality participate on SIP2 forum which is a body coordinated by the KZN Trade and Investment.

3.15.2. Internal Audit Activity.

Newcastle Municipality has a fully functional internal audit unit that reports to audit committee quarterly.

The Institute of Internal Auditors defines internal auditing as:
"An independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The internal audit activity evaluates and contributes to the improvement of risk management, control and governance systems of the organisation. Typical input/responsibilities of the internal audit activity include, amongst others:-

a) Governance.

The Internal Audit Activity assists management in achieving the goals of the Municipality by evaluating the process through which:-

- Goals and values are established and communicated.
- The accomplishment of goals is monitored.
- Accountability is ensured and corporate values are preserved.

b) Controls.

Internal Audit evaluates whether the controls, which management relies on to manage the risks down to acceptable levels, are appropriate and functioning as intended (i.e. are they effective yet efficient) and propose recommendations for enhancement or improvement.

The Internal Audit unit will conduct audits in accordance with the "Code of Ethics" and "Standards for the Professional Practice of Internal Auditing- of The Institute of Internal Auditors, as well as other corporate governance regulations.

c) Internal Audit Strategic/Coverage Plan.

The "Standards for the Professional Practice of Internal Auditing- as issued by the Institute of Internal Auditors requires that: "The internal audit activity's plan of engagements should be based on a risk assessment, undertaken at least annually. The inputs of senior management should be considered in this process."

- The Internal Audit Plan is aligned with the strategic risks identified and could encompass risk-based, compliance, financial discipline and cyclical reviews.
- The planned audit activities will be focussed at strategic, process and component level as appropriate.
- The plan for each year will be determined by the priority ranking (based on the risk assessment) of identified audit areas and the expertise and resources available to Internal Audit.

d) Authority.

Internal audit reports via the Accounting Officer to the Municipal Audit Committee and has unrestricted access to the Chairperson of Audit Committee, the Accounting Officer and Senior Management and has unrestricted access to all relevant functions, records, property and personnel.

e) Audit committee.

The audit committee is a committee of Council. The requirement for municipalities and municipal entities to establish Audit and Performance Committee is contained in Section 166 of the Municipal Finance Management Act 56 of 2003 and article 14 (2)(a) of the Municipal Planning and Performance Management Regulations 2001. The Audit and Performance Committee is an independent advisory body, appointed by Council to assist Council in discharging its responsibilities. The Audit and performance Committee Charter sets out the committee specific responsibilities and details the manner in which it will operate. The audit committee charter is approved annually by Council.

The following audit committee members were appointed by Council on the 1 January 2015 for a period of three years:-

Name of Member
Mr. Themba Radebe
Mr. Rabelani Tshimola
Ms. Zanele Nkosi
Mr. Yaasir Haffejee
Mrs. Simangele Ngcobo

3.15.3. Effectiveness of Internal Controls.

The municipality's system of internal control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are

effectively managed. According to the Municipal Finance Management Act (Act No. 56 of 2003) and the King Reports on Corporate Governance requirements, Internal Audit and the Auditor General reports provide that the Audit Committee and Management, with assurance that the internal controls of the municipality, are appropriate and effective. This is achieved by means of a risk assessment and review process, testing of controls, as well as identification of corrective actions and suggested enhancements to controls and processes. The committee has reviewed various reports from the Internal and External Auditors, which highlighted the adequacy and effectiveness of internal control systems within the municipality. The Committee noted a significant improvement within the Supply Chain Management process, in particular, the issue of irregular expenditure. This has also improved in the last quarter of the financial year.

Management has taken the views of both the Internal and External Auditors seriously even though some of the processes did not allow the municipality to move from its previous audit opinion. A lot of efforts in terms of human resources and financial resources were employed to assist the situation which is hoped that the results will be realised in the 2015/2016 financial year audit. Quarterly reports on progress made in implementing the plan was also tabled at the Audit Committee for the purposes of continuous monitoring.

3.15.4. Objectives.

- Maintaining oversight responsibilities of all financial and performance reporting.
- Seek reasonable assurance that the operations of the municipality are conducted efficiently and effectively.
- Seek reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls.
- Seek assurance that the Council complies with relevant legislation, regulations and professional pronouncements.

3.15.5. Internal Audit.

- Review the Internal Audit Charter and submit to audit committee for approval.
- Review of the Audit Committee Charter and submit to council for approval.
- Report to audit committee as to whether the internal audit unit is given the resources and operational independence required to fulfil its role as outlined in the Internal Audit Charter.
- Prepare the annual risk based internal audit plan which is approved by the audit committee.
- Prepare internal audit reports and provide independent, objective assurance and consulting services to management on matters relating to:
- Internal Audit;
- Internal controls;
- Accounting procedures and practices;

- Risk and risk management;
- Performance management;
- Loss control;
- Compliance with the Municipal Finance Management Act, Division of Revenue Act (DORA) and any other applicable legislation; and
- Investigate any other matter as requested by the Municipal Manager.

3.15.6. Internal Control.

- Evaluate the overall effectiveness of the internal control and risk Management frameworks and consider whether recommendations made by the internal and/or external auditors have been implemented by management.
- Assess whether proper adequate accounting records are being maintained.
- Ensure that Council has the necessary policies in place to protect and safeguard assets and to ensure legal compliance with all relevant legislation. Examples - Prevention of Fraud Policy, Procurement Policies.

3.16. MUNICIPAL BY LAWS AND POLICIES.

As a creature of statute and an organ that subscribes to the rule of law, the Municipality exercises vested executive powers make law and polices to provide for regulation of its activities and environment. By-Laws play vital roles in assisting the Municipality to discharge its functions in terms of values of the rule of law and accountability that that is founded on law. There are at least eleven By-laws that have been pre-certified by Legal Services and currently pending with respective departments for consultation with stakeholders. It is anticipated that By-laws all the eleven By-laws will be gazetted this year in order to enhance efficiency and effectiveness of the Municipality.

3.16.1. Municipal Governance Structures.

The Newcastle Municipality has 61 democratically elected councillors which constitute the council. Council meets at least monthly and is the final decision making body within the municipality. The Executive Committee (EXCO) is responsible for the day-to-day running of the organization, and decision making. They meet regularly to receive reports from the Municipal Manager. EXCO is supported by the following portfolio committee, who serve as oversight structures in respect of various line functions and responsibilities of the municipality:-

Table 47: Portfolio Committees

PORTFOLIO	CHAIRPERSON
Finance	Cllr. Cllr E.M. Nkosi: **Mayor**
Technical Services	Cllr. R. M. Molelekoa

Community Services	Cllr. D.P. Sibiya: **Deputy Mayor**
Development Planning and Human Settlements	Cllr. M. Shunmugam
Corporate Services	Cllr. R.N. Mdluli

In addition, the municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the municipality. The structure and current membership of this committee is indicated on the table below:

Municipal Public Accounts Committee:

13) Cllr M E Ngcobo (Chairperson).
14) Cllr B S Dlamini.
15) Cllr N P Kunene.
16) Cllr S G Miya.
17) Cllr N M Ngcobo.
18) Cllr S J Nhlapho.
19) Cllr S E Shabangu.
20) Cllr L G Thwala.
21) Cllr M S Mlangeni.
22) Cllr T M Zulu.
23) Cllr A P Meiring.
24) Cllr M W Twala.

3.17. RISK MANAGEMENT.

Newcastle Municipality has implemented risk management system in compliance with Section 62 (1) (c) (i) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which requires the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective , efficient and transparent systems of risk management and internal controls.

South Africa's codes on corporate governance, the King iv report on good corporate governance, has consistently identified Risk Management as one of the key pillars for good governance practices and this, as a continuous process, enables constant improvements in strategy design and implementation as well as an organisation's systems and operations. The King iv report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented can create and sustain stakeholder value.

Newcastle Municipality recognizes risk management as a critical part of the municipality's strategic management, which is a process whereby the municipality both systematically and intuitively mitigates the risk attached to its strategic objectives with

the ultimate goal of achieving sustained benefit within each programme and across the portfolio of activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted throughout the municipality as good management practice for ensuring good governance.

Like all other government institutions, Newcastle Municipality also faces uncertainty, and the challenge for management is to determine how much **uncertainty** the municipality is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance **value**. Newcastle Municipality recognizes that value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the municipality's objectives.

The Municipality has adopted an integrated approach to risk management with the primary aim to of embedding a culture of making the right and timely decisions which take into consideration associated risk exposures and opportunity. This therefore means that, risk management at Newcastle Municipality, is not just a simple compliance with the requirements of the Municipal Finance Management Act (MFMA) which requires the Municipal Manager as the Accounting Officer to implement a system of risk management, however, it has been implemented in recognition of the substantial value-add of risk management.

3.17.1. Risk Governance in the Municipality.

The Municipality has an independent governance oversight and advisory committees, namely, the Audit Committee (AC); which operates in accordance with Council approved terms of reference, corporate governance guidelines and practices (King iv), and professional practice standards and codes. The audit committee is responsible for independent oversight and appropriate advice on the risk management process in the Municipality, the mitigation of key risk exposures and advisories on emerging risk issues that may have an impact on the Municipality.

Some of the key strategies in the short to medium term to ensure successful implementation of Risk Governance and Enterprise Risk Management in the Municipality are itemised below:-

- Risk Governance Structure, Framework, Policy and Activities;
- Risk Infrastructure and Oversight;
- Adoption and alignment of risk frameworks;
- Risk Ownership and Accountability;
- Risk Management Approach and Principles;
- Risk Management Language;
- Risk assessment Methodology;
- Continuous risk assessment, design and implementation of risk responses;
- continuous monitoring; and

- Risk Profile and Integrated Risk Reporting.

3.17.2. Enterprise Risk Management (ERM).

The management of risks has evolved from the management of financial risks, and transfer of risks through insurance, to business risk management and recently to enterprise risk management which includes the management of risks at all levels of the organisation. The ERM process creates that consciousness at both political and administrative levels of the Municipality's risk appetite and profile. The benefits which the Municipality strives to achieve include:

- aligning risk appetite to the Municipality's strategies;
- enhancing management's risk response decisions;
- seizing opportunities and,
- reducing operational surprises and losses through continuous identification of potential events;
- identifying and managing multiple and crossenterprise risks;
- improving deployment of capital and allocation of resources through the use of reliable; and
- relevant and timeous risk information.

The overall strategic objective is to embed a culture of risk management in the Municipality, at strategic and operational levels.
Accordingly, the risk management unit has mapped the Enterprise Risk Management programme to the Municipal IDP.

A number of priorities have been identified in the Municipality's ERM programme, for the first year of the 4th generation of the IDP, and these cover:

- Identification, documentation and communication of the Municipal-Wide Risk
- Universe
- Municipal Risk threshold levels / appetite
- Strategic & Operational Risk Profiles
- Standardised Municipality risk assessment methodology
- IT, Fraud, Compliance risk assessments and profiles
- Risk Monitoring and Risk response plans advisories
- Departmental risk profiles & registers, and risk reporting
- Municipal-wide risk threshold / tolerance levels
- Consulting on risk responses
- Business Continuity Management (BCM) plans & advisories

3.17.3. Enterprise Risk Management Projects.

Projects in the ERM programme are advisory and management consulting services, are long term in nature, will straddle the entire current 5-year IDP, and even go beyond this term though the focus in each year may vary:-

- Municipality Risk Governance.

- Integrated Risk Management Implementation Planning.
- Risk assessment and advisories on management of risks:-
    - Strategic Risk Management.
    - Operational risk management.
    - Financial Risk Management.
    - Compliance Risk Management.
    - Project Risk Management advisories.
    - Contracting and contract risk management
- Business Continuity Management.
- Risk Finance (Insurance covers).
- Risk management application software.
- Integrated reporting capabilities (dashboard).

3.17.4. Integrated approach to Risk Management and GRC functions.

There is therefore a high co-dependence between Risk Management unit and the other assurance functions within the Municipality. The Municipality has adopted an integrated approach to the management of risk, risk advisory and assurance processes and systems. This will enable collaboration and cooperation between all the internal assurance role players.

3.17.5. Risk ownership and accountability.

The embedding of a risk management culture is one of the priorities that have been agreed to by the leadership of the Municipality:-

- One of the key strategies that has been designed is to ensure that there is convergence in the management of risks and performance.
- The Municipality's organisational scorecard and performance scorecards of executive and senior management now include risk management as one of the key performance areas.
- Further, each of the top strategic risks is assigned a risk owner at Executive Director or Divisional head in respect of the Municipal Manager's department.
- Risk owners must ensure that risk response plans and mitigation actions are designed and implemented by responsible officials.

3.17.6. Continuous Risk Assessment.

The assessment of risks requires the identification of organisational objectives and strategies, and an analysis of inherent events that may impact on the achievement of objectives and strategies. While Municipality's Risk Management unit facilitates the assessments of risks through workshops or reviews of existing risks, the primary responsibility for the management of identified and emerging risks lies with the respective executive management.

The Municipality continuously assesses its risk exposures and measures and prioritises these risks using its risk assessment methodology. Priority is given to the potential uncertainties that have been measured to have extreme and high inherent risk exposures. Similar priority is given to those risks have high residual risk exposure, alternatively, where the respective risk response plans are inadequate and/or ineffective.

3.17.7. Strategic Risk Management.

Strategic risk assessments are conducted at least annually, and facilitated internally by the Municipality's Risk Management Unit. The Municipality identifies the top 15 Municipality-wide strategic risks for each financial year.

3.17.8. Operational Risk Management.

Operational risk assessments are conducted at the level of each directorate in the departments and at the level of business units or directorates in the entities. The outputs hereof are departmental risk profiles, and directorate risk profiles. Both Internal Audit and the Auditor General usually focus on the risk, control and audit universe at operational levels to evaluate the design and effectiveness of the internal control environment, which is a bottom-up approach. Therefore it is critical that management assisted by Municipality Risk Management unit should consistently analyse operational risk exposures and implement adequate systems of internal controls. Operational risk profiles must be communicated to the management and staff of the department or directorate to ensure that all role players are aware of the risk environment and the responsibilities for the management of identified and emerging risks.

3.17.9. Risk Response Plans Advisories on Risk Management Strategies.

The risk matrix enables the prioritisation of risks. The risk mitigation strategies, i.e. whether to accept, avoid, transfer or control risks, will be evaluated to ensure they appropriately respond to the identified risks, and the cost vs benefit analysis conducted. While Risk management unit will monitor the design of risk mitigation strategies / responses in respect of all identified risks, focus will be placed on those risks that have been identified as Extreme or High according to the risk matrix.

3.17.10. Risk Monitoring and Risk Reporting/ Communication.

Subsequent to the risk assessments and identification of risk management strategies by respective management, Municipality's Risk Management unit analyses the adequacy of the risk strategies in bringing the risks to acceptable tolerance levels. The Internal Audit Activity prepares risk based audit plans having assessed the risk environment and determined the risk and audit universe. The risk based auditing approach ensures that internal audit effort is focused on extreme and high risk areas, and internal audit projects are therefore derived from the strategic and operational risk

registers. Internal audit also provides independent assurance on the effectiveness and efficiency of risk mitigation plans.

3.18. PUBLIC PARTICIPATION.

3.18.1. Mechanisms for Public Participation.

Public participation is important to determine the exact needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The Newcastle Municipality will be utilizing the following mechanisms for public participation when developing its IDP.

- **IDP Representative Forum (IDP RF):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, AmaKhosi, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business, Faith Organizations and organized agriculture.
- **Media:** Local newspapers will be used to inform the community of the progress of the IDP and further due meetings' including the IDPRF and community road shows.
- **Radio Slots:** The Newcastle Community radio station will be used to make public announcements where necessary.
- **The Newcastle Website:** The Newcastle Municipality's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for communities, general stakeholders and service providers to download.
- **Ward Committees:** The Newcastle Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees represents a wide range of community interest through the IDP RF meetings and their inputs are always considered. They also being used to disseminate the information about the developmental agenda of the municipality.
- **IDP/ Budget Road Shows:** The Newcastle Municipality hosts its community road shows through ward committee system to publicize the draft IDP and Budget during April and May 2015. The venues for these meetings are publicized at the IDP RF, public places and as well as through the local print media.

3.18.2. Ward Committee System.

The Municipality has thirty four (34) wards, and each ward has a Ward Committee constituted of ten (10) members. In line with the requirements of Outcome 9, all of these wards combined at a municipal wide level and shall constitute a region. The region shall be divided into four (4) zones, viz:-

- Zone A which will have 11 wards (Madadeni);
- Zone B which will have 9 wards (Osizweni);
- Zone C which will have 6 wards (Blauubosch); and

- Zone D which will have 8 wards (Town).

The Ward Committee system is structured according to the following fora:-
- Chairpersons forum.(all 34 ward councillors);
- Secretaries forum; and
- 340 ward committees.

The Public Participation Directorate, established in the Office of the Developent Planning and Human Settkement and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approve Ward Committee policy. Furthermore, as part of the government programmes stream-lined towards the improvement of good governance, the Provincial government shall be rolling out workshops on the role of ward committee members in the implementation of the Back to Basics Programme and Newcastle Municipality is to benefit from the programme.
The functionality of Ward Committees are monitored through the submission of ward reports regarding Ward Committee Performance, which basically assesses the performance of Ward Committees within Newcastle. The performance is measured in terms of the following indicators:-
- Number of Ward Committee Meeting held – 1 per month;
- Number of Ward Committee Meetings chaired by the Councillor – 1 per month;
- Percentage of attendance – 50 plus 1;
- Number of community meetings held – 1 per quarter;
- Number of sectoral reports – 10 per month; and
- Number of reports submitted to the municipality – 1 per quarter.

The assessments are made on a quarterly basis, namely, the periods between July – September, October – December, January – March, and April – June of each year. The following entails the common challenges that have surfaced based on the report:- In general, the overall performance of the Newcastle Ward Committees is satisfactory. The stringent measures are being implemented by the Office of the Speaker to improve the situation.

Newcastle Municipality will facilitate Constituency meetings across all 34 wards as part of strengthening democracy and governance structures within the municipality. It also played an integral role to cascade the service delivery information and information sharing within the governance structures.

Furthermore, a Capacity Building Training for all Ward Committees is to be facilitated by the Public Participation Unit whose main purposes is to train Ward Committees on municipal processes.

3.18.3. SWOT Analysis: Good Governance and Public Participation.

STRENGHTS	WEAKNESSES
• Functional Municipal Public Accounts Committee (MPAC) • Functional section 79 and Section 80 committees. • Functional Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003. • Municipal policies in place. • Functional Independent Internal Audit activity established in terms of section 165 (1) (c) of the MFMA • Functional Risk Management Unit established in terms of section 62 (1) (c) of the MFMA • Functional Performance monitoring and evaluation unit established in terms chapter 6 of the Municipal systems act. • Functional IGR structures. • Functional portfolio committees that perform an oversight function. • Public involvement in municipal affairs. • Functional ward committees.	• Human resource capacity contraints (High vacancy rate/ Unfilled vacant positions); • Financial resource contraints, Negative/Low cash flows; • Out-dated Municipal policies; • Lack of in-house investigation capacity; • Lack of concequence management systems; • Lack of proper whistle-blowing system; • Lack of an ethics committee; • Slow progress in implementation of internal audit and risk action plans; • Ineffective internal controls; • Non-implementation of policies approved by council; • Accuracy, usefulness and credibility of performance information;
OPPORTUNITIES	**THREATS**
• Support from national and provincial government (including grants) • Public confidence and good media coverage • Publicity and good marketing campaigns • External newsletter; • IGR Support; • Revenue enhancement strategy providing additional revenue streams; • Enhanced revenue collection system; • Improved credit control and debt collection processes • Filling of critical vacancies • Reduced expenditure through Cost cutting measures	• Constant changes in local government legislation and policies. • Political violence and intolerant • Slow pace of service delivery which may spark service delivery protests. • Non-Compliance with legislations, regulations and Municipal policies, • Failure to achieve service delivery targets; • Loss of key staff • Loss of critical data due to lack of off-site backup storage facility; • New technologies; • Unfavorable audit outcomes • Failure to ensure business continuity in case of disruption; • Fraud and corruption; • Unmitigated risks could materialize and cause severe impact to the operations of the Municipality and ultimately on service delivery. • Lack of integrity, accuracy, and credibility of financial and performance information. • Collapse of aged and ageing infrastructure (water reticulation infrastructure and electrical distribution infrastructure, roads and stormwater, etc) resulting in service delivery failure and community unrest.

3.19. FINANCIAL VIABILITY AND MANAGEMENT.

3.19.1. Capital Budget Expenditure.

The municipality's capital expenditure performance over the past three financial years is tabulated as follows:

Table 1: Capital expenditure

Financial Year	Budget R'000	Expenditure R'000	% Spent
2016/17	265 390	219 419	83%
2015/16	389 860	305 574	78%
2014/15	390 297	350 892	90%

Capital expenditure indicates the ability of the municipality to provide services to communities. It comprise of service delivery projects that are required by communities through the IDP and the MTREF Budget. Over the three previous financial years, the capital performance of the municipality has been deteriorating with 90% spent in 2016/17 to 90% spent in 2014/15. This was mainly due to some of the projects that were suspended before the end of the financial year due to funding challenges. It is further noted that value of capital expenditure has reduced drastically, with R350.8 million in 2014/15, R305.5 million in 2016/17 and R219.4 million in 2016/17. This represents a reduction of R131 million over the past two years. Such reduction is due to the depletion of reserves and the council decision not to take any new loans to fund its capital programme.

The municipality is already developing a strategy to build up cash-backed reserves. This will assist to accelerate its capital expenditure programme with a view to extend service to communities. The municipality is planning to spend approximately R505 million over the next three financial year with effect from 2018/19 as follows:

Table 2: Capital: expenditure by funding source

Funding source	2018/19 R'000	2019/20 R'000	2020/21 R'000
Internal Funding	43 150	44 000	56 000
Grant funding	162 426	175 568	-
Capital Budget	205 757	219 568	56 000

The break -down of the capital programme of the next MTREF is as follows: The table below indicates whether the projects included in the 201819 – 2020/21 MTREF capita programme are new or on-going. The municipality will spend less than 40% of the capital budget towards the renewal of existing assets. This is done with a view to ensure that existing assets and infrastructure are refurbished and upgraded to the right level to maintain delivery of acceptable minimum services to communities. While the municipality is aware that this provision is still below 40% recommended by MFMA Circular No.70, the municipality is however committed to keep increasing this provision in the near future in order to achieve a 40% as recommended by the National Treasury.

PROJECT DESCRIPTION	**2018/2019 R'000**	**2019/2020 R'000**	**2020/2021 R'000**	**NEW OR EXISTING PROJECT**
Furniture and Equipment: Libraries	50			New
Charlestown Library	18 703			On-going
Generators: Liabraries	600			New
Airconditioning Units and Humidifier: Art Gallery	190			On-going
Fencing	150			New
Skips x 10	150			New
Skip Truck	1 500			New
MF55	8 523			New
MD35	6 916			New
MD30	3 299			New
ME11 (A)	1 855			New
ME11 (B)	5 559			New
OE41	3 038			New
OA85 (A)	4 888			New
OA85 (B)	7 875			New

OC20	5 544			New
OA103	5 786			New
MB7	450			New
MD5	300	6 500		New
MF 18 & MF19	550	3 000		New
MB23	550	8 500		New
MG3 & MG4	500	8 500		New
OA36	350	7 000		New
OB11,6	500	4 000		New
OC25, OC53	750	5 000		New
Pipe Replacement and Upgrade	8 500	15 000		On-going
Madadeni WWTP	15 000	25 000		On-going
Blaauwbosch Bulk Water	9 000	16 068		On-going
Ngagane Bulk Water Supply	4 000	17 000		New
Upgrade of Ngagane WWTW Phase1	9 000	-		New
Newcastle None-Water Reduction	10 000	-		New
Newcastle East Water Supply Extension	30 000	60 000		New
Resealing of roads – Newcastle West	13 000	16 000	18 000	New
Resealing of roads - Madadeni	6 000	8 000	10 000	New
Resealing of roads - Osizweni	6 000	8 000	10 000	New

Resealing of roads - Kilbarchan	2 000	4 000	6 000	New
Resealing of roads – Charlestown	1 000	4 000	6 000	New
Land Development – Water and & Electricity	6 000	-	-	New
Land Development – Engineering	4 500	-	-	New
STORMWATER MANAGEMENT (NN,MAD and OSIZ)	2 000	4 000	6 000	On-going
FURNITURE & EQUIPMENT	1 000			New
TOTAL CAPITAL BUDGET	**205 575**	**219 568**	**56 0 0**	

13.19.2 INVESTMENTS TO FUND CAPITAL PROGRAMME

As indicated above, most of capital projects will be funded from grants that will be received from National and Provincial governments over the MTREF period. These funds will be invested when they are received and accordingly withdrawn when being spent. The municipality has however projected that about R43.1 million will be required to be funded internally. The following table indicates that summary of the investments currently at the disposal of the municipality:

Investments by Maturity	**Type of Investment**	**Opening balance**	**Interest to be realised**	**Partial / Premature Withdrawal (4)**	**Investment Top Up**	**Closing Balance**
Parent municipality						
Standard Bank	Call Account	48 259	3 158	(8 300)	8 300	**51 417**
ABSA	Call Account	11 569	2 697	(33 188)	33 713	**14 791**
Sanlam	Call Account	85	5			**90**
TOTAL INVESTMENTS		**59 913**	**5 861**	**(41 488)**	**42 013**	**66 298**

13.19.3 Municipal Financial Performance.

There is a need for the municipality to look at Credit control and Debt management and Indigent policies. The debtor's book is currently seating at R1.1billion, there should be more strategies in place to recover this finding and the criteria to be used to identifying qualifying indigent's beneficiaries.

There is a need for management develop and strengthen systems and processes that will ensure adequate review of financial statements by Internal Audit as well as the Audit Committee. Over the past three financial years, the financial statements of the municipality contained errors and restatements of corresponding figures, which were however identified by Auditor General and subsequently corrected during the audit. This calls for a need for management to design, strengthen and maintain an effective internal control system that will ensure that financial statements are free from errors.

There were no steps taken by Council to investigate irregular expenditure incurred in the previous two financial years. Irregular expenditure continue to increase during 2016 and the systems to detect service providers in the service of state proved to be ineffective. While the systems are already in place, there is a need to investigate effectiveness of these systems.

Although the municipality has come out of the assets qualification, there is still a need to maintain the internal control environment and to keep abreast with relevant accounting standards of asset management. Internal capacity on issues of infrastructural still remain a challenge for the municipality.

The municipality also failed to comply with the requirements of Section 65(3)(e) of the Municipal Financial Management Act, No.56 of 2004 by failing to pay some of the service providers within 30 days as prescribed. It is noted that this is mainly due to cash-flow challenges, however, there is also an urgent need to design an organisation-wide system that will ensure that all invoices reach the Budget and Treasury Office on time for payment purposes.

13.19.4 Financial Performance.

The analysis of financial performance covers three sections, namely revenue, expenditure and the net operating results. Each of these sections is discussed below.

Revenue.

The revenue base of the Municipality increased from R1 647 055 009 to R 1 750 465 676 in the financial year ended 30 June 2017. This represents a growth of 6% in revenue. There has been a significant increase in the municipal revenue over the three years under review. The major increase has been on the following revenue categories; Service charges, government grants and property rates. There is still a decrease in the interest received on investments due to the number of investment withdrawals in 2016/17 in order to pay capital projects that were internally funded. The summary of the total revenue pattern of the past four years is summarised as follows:

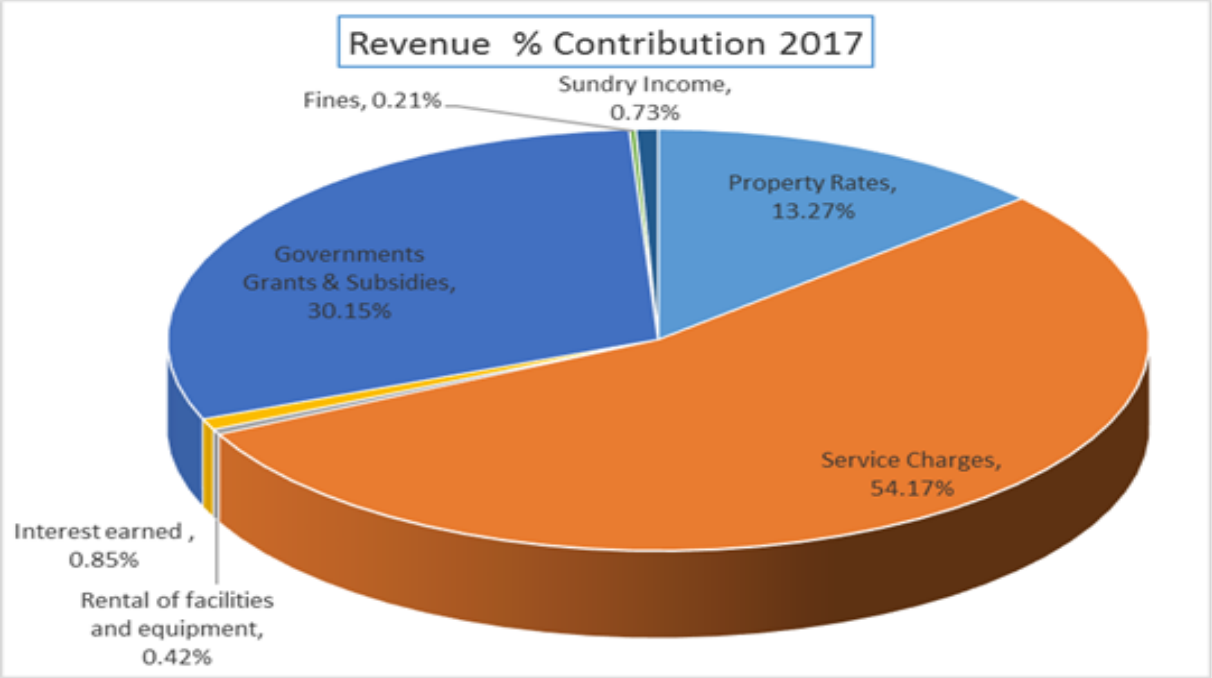
Table 3: Total revenue trends

Year	Total Revenue R'000	Increase/decrease R'000	Increase/ (decrease) %
2017	1 750 466	103 411	6%
2016	1 647 055	125 199	8%
2015	1 521 856	65 645	5%
2014	1 456 211	92 097	7%

The increase of 6% in revenue from 2016 to 2017 was above the inflation rate in South Africa of 6.3% as at 30 June 2017. This means that the municipality's financial performance was rather fair during the period under review. The increase in revenue is mainly based on the following line items, Service Charges, Property Rates and Government Grants. Tariff increases were the contributing factor for service charges and property rates whereas the increase in grants was due to the annual allocation by National Treasury in terms of the Division of Revenue Act.

The following graph depicts a contribution of each revenue source to the total revenue of the municipality during 2017 financial year:-

Figure 1: Revenue source contribution to total revenue



The table 3 reflects major revenue sources which had a huge impact to the total revenue during 2017 financial year. The municipality generated more than half its total revenue base from service charges, which is 54%. The other significant sources of revenue are Property Rates at 13%, and Government grants and Subsidies at 30%. The percentage contribution of various revenue sources to total income have remained fairly constant in the years under consideration.

In the analysis below, the focus is on the material revenue contributing elements with a view to analyse their behaviour over the past three year. In total these revenue sources contributed R1.708 billion, to the Municipality's total revenue of R1.750 billion in 2017, representing 98%.

Table 4: Major revenue sources

Revenue source / item	% Contribution 2017	Revenue: 2017 R'000
Property Rates	13.04%	232 286
Service Charges	55.54%	948 273
Governments Grants & Subsidies	28.38%	527 822
Material revenue items	98%	1 708 381
Percentage Increase from 2016		6%
Total revenue elements		1 750 466
% Total		98%

Over 98% of the municipality's revenue is generated from service charges, property rates and government grants. These are therefore regarded as primary sources of revenue which the municipality needs to ensure and sustain for its long-term survival. Other revenue such as fines, profit of sale of asset and sundry revenue together contribute less than 2% of the total revenue.

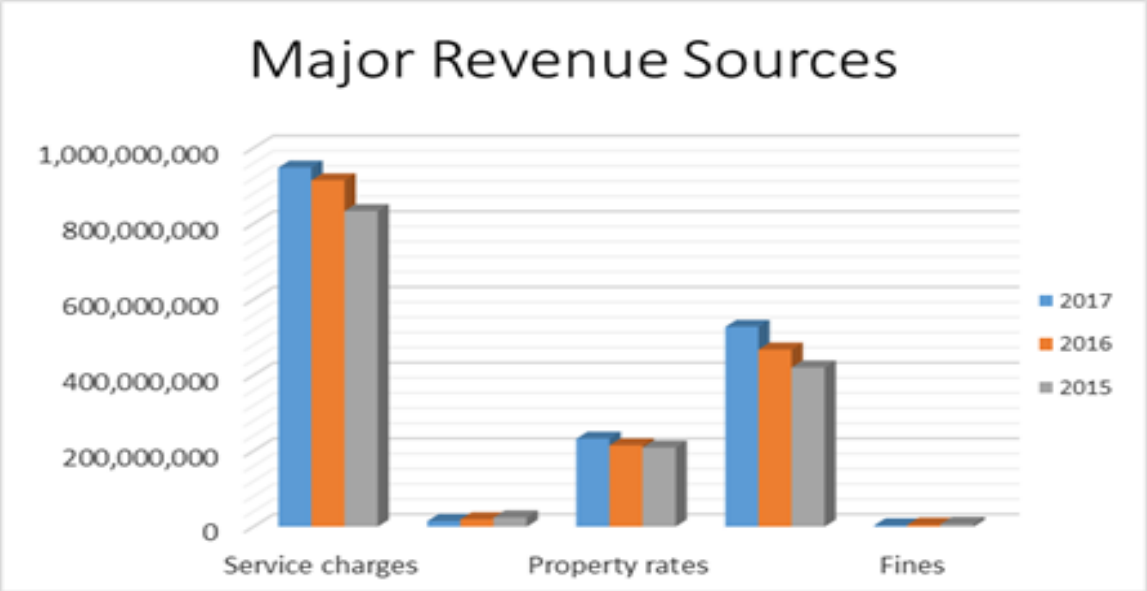
Table 4 above reflects the movement in major revenue streams over the period under consideration. The table shows an increase in the revenue categories mainly due to the normal annual increase in the tariffs as per the budget guidelines approved. During the 2013/14 financial year there was an implementation of GRAP 1, which required that the municipality recognises all fines issued as revenue. There has been huge provision for impairment of fines due to non-collection over the past few years. This was supposed to increase the revenue of fines but instead we have seen a decrease in the fine revenue from R7 million to R3 million over a three year period. The summary of movement of major revenue sources is summarised as follows:-

Table 5: Movement of major revenue sources

Line Item	2017 R'000	2016 R'000	2015 R'000
Service charges	948 273	914 751	833 255
Interest received	14 835	19 673	24 315
Property rates	232 286	214 714	209 013
Government grants & subsidies	527 822	467 502	420 439
Fines	3 606	5 206	7 069

The following is a graphical presentation of the patterns of movements of these elements.

Figure2: Movement of major revenue sources



Expenditure.

The total expenditure of the municipality has decreased by 19% from R2.568 billion to R2.092 billion in 2017. The following tabulates the municipality's total expenditure performance over the past three years:-

Table 6: Total expenditure trends

Year	Total Expenses R'000	Increase/(decrease) R'000	Increase/(decrease) R'000
2017	2 092 826	(475 529)	(19%)
2016	2 568 355	1 047 670	68.9%
2015	1 520 588	151 326	11.4%

However, there has been an increase in the overall expenditure over the same period. Over the period, expenditure has increased by 38% (R572m). Expenditure items which have attributed to a decrease between 2017 and 2018 debt impairment, collection cost, contracted services, repairs and maintenance and general expenses. The main reason for this decrease was cutting of budget due to cash flow issues.

Below is a table of the proportionate contributions of each expenditure element to total expenses at the end of 2017. Is the clear from the table that major expenditure drivers for the municipality are the following:-

Bulk purchases;

Employee related costs;

General expenses;

Depreciation, amortisation and impairments;

Debt impairment; and

General Expenses, Repairs and Maintenance and depreciation.

Table 7: contrition of expenditure items to total expenditure

Line Item	Contribution %	2017 R'000
Employee related costs	23.69%	495 757
Remuneration of councillors	0.97%	20 389
Depreciation and amortisation	22.56%	472 110
Finance costs	3.14%	65 784
Debt impairment	4.79%	100 304
Collection costs	0.42%	8 802
Repairs and maintenance	4.09%	85 654
Impairment loss	0.06%	1 348
Bulk purchases	26.71%	558 946
Contracted services	2.93%	61 246
General expenses	10.63%	222 486
Total expenditure	100.0	2 092 825

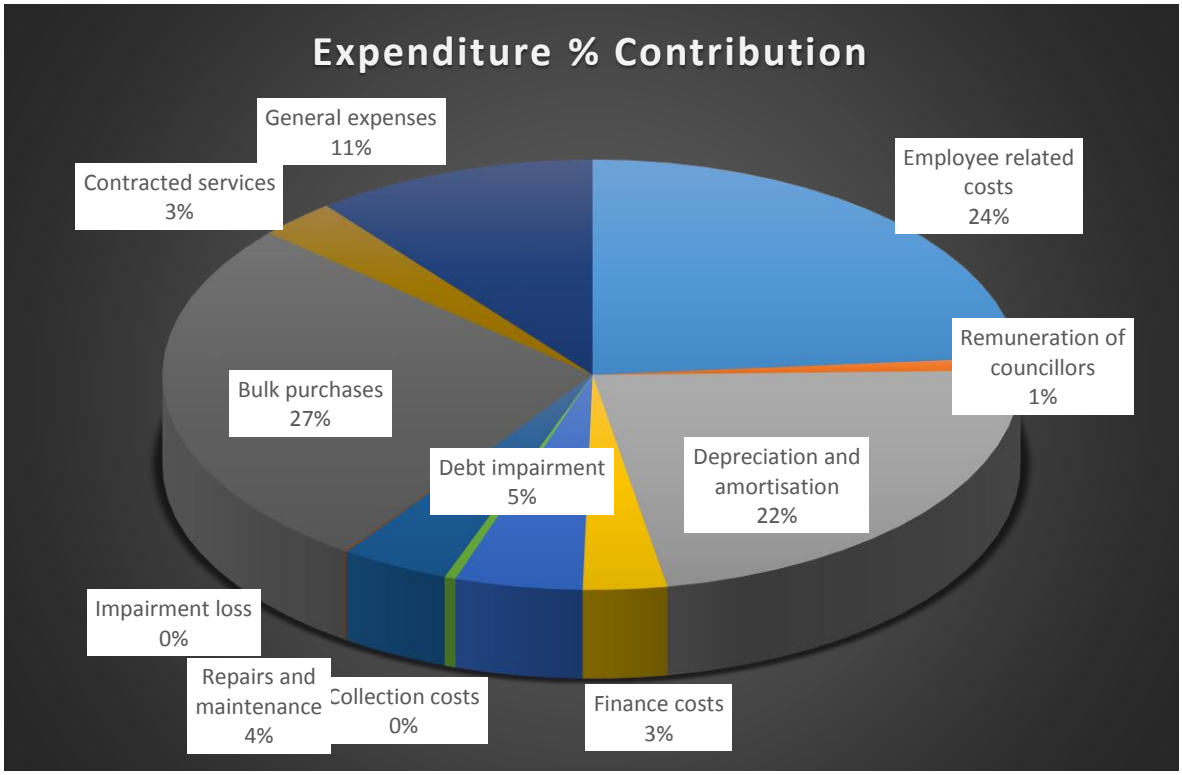
The municipality's employee related costs represents 24% of total operational expenditure. This percentage is significantly lower than the prescribed threshold of 35% determined by the National Treasury. While it needs to be mentioned that critical vacant positions need to be filled in order to ensure adequate service delivery, it is however not possible to fill all positions at this stage due to the financial position of the municipality.

Depreciations contributes 22% to the total expenditure. The increase in capital expenditure over the years, coupled with revaluation of infrastructure assets resulted in high depreciation cost.

Debt impairment contributes 4.79% to the total expenditure of the municipality which is a huge decrease as compared to 2016. In 2016 the municipality wrote-off bad debts of R394m where as in 2017 none were written off. There is still a need for the municipality to improve its current credit control and debt below is a management strategies in order to reduce the debtor's book. General expenses seem to be slowing down, with only 11% of the total expenditure.

graphical presentation contribution of each expenditure item to the total expenditure of the municipality. While is it clear that employee costs, depreciation, debt impairment, bulk purchases and general expenses are the major expenditure items contributing about 88% of the total expenditure, the municipality may not overlook expenditure of at least 12% percent on finance charges, collection costs, repairs and maintenance. Impairment loss, and contracted services.

Figure 3: contrition of expenditure items to total expenditure



The following table depicts movements of major expenditure drivers:-

Table 8: Movement of major expenditure drivers

Expenditure driver	Increase %	2017 R'000	2016 R'000	2015 R'000
Employee related costs	36.06	495 757	489 601	364 366
Depreciation	53.54	472 110	456 740	307 477
Debt impairment	-299.05	100 304	542 782	-50 390
Repairs and maintenance	13.32	85 654	112 987	75 588
Bulk purchases	16.51	558 946	513 530	479 491

General expenses	6.48	222 486	257 574	208 942

Between 2016 and 2017, employee related cost has increase normally due the annual salaries increases. The depreciation also increase normally based on the addition in the assets register as well as the revaluation of infrastructure assets. Debt impairment recorded a huge decrease of -R442 million during this period. This is due to not writing off of bad debts as was done in 2016. Repairs and maintenance has decreased due to budget cuts during the Adjustment budget. This was due to cash flow issues that the municipality is currently facing. Bulk purchases recorded an increases of R45.4 million during the same period. This increase is due to the tariffs increases approved by NERSA annually, as well as the provision of water to Charlestown purchased from Pikely KaSeme municipality to supply water in Charlestown. General expenses recorded a decrease of R35.0 million due to budget cuts during the Adjustment budget.

Net Operational Performance.

As at the end of 2017, the municipality recorded a deficit of R294.2 million, which is an improvement from the huge deficit of R891.3 million that was recorded in 2016. The main contributing factor was the reduction of Debt impairment from R542.7 milliom in 2016 to R100.3 million in 2017. At times deficits are as a result of the noncash items such as depreciation and debt impairment, which have no impact on the Municipality's cash flow. This has been the case with the Municipality. However the current picture is a cause for concern that the revenue generated by the municipality in 2017 was not adequate to cover all expenses that that municipality incurred.

13.19.5 Financial Management Policies.

The financial management of the municipality is guided by the following adopted financial policies, which are crafted in cognisance of relevant legislation and prescripts:-

Asset Management Policy;

Cash Management & Investment Policy;

Credit Control Policy;

Supply Chain Management Policy;

Municipal Property Rates Policy;

Credit Control, Debt Collection and Customer Care Policy;

Tariff Policy;

Rates Policy;

Debt Write-off Policy;

Indigent Policy;

Budget Policy;

Virement Policy;

Borrowing Policy;

Funding and Reserves Policy; and

Petty Cash Policy.

13.19.6 Grant Funding and Dependency.

Below is an extract of the municipality's operating revenue as per the municipality's MTREF budget:-

Table 9: grant dependency - operating

Description	2014		2016		2017	
Revenue by funding source	R'000	%	R'000	%	R'000	%
Property rates	209 013	13,8	214 714	13,0	232 286	13,3
Service charges	833 255	55,0	914 751	55,5	948 273	54,2
Investment revenue	16 249	1,1	12 517	0,8	4 505	0,3
Other own revenue	34 759	2,3	37 571	2,3	37 579	2,1
Own revenue	1 093 275	72,2	1 179 553	71,6	1 222 643	69,8
Transfers recognised	420 439	27,8	467 502	28,4	527 822	30,2
Total revenue	1 513 714	100,0	1 647 055	100,0	1 750 465	100,0

Over the past three financial years, the municipality does not depend on grants for its operations. The municipality will generate operating revenue to the amount of R5.2 billion, with 72% of total revenue was from own revenue in 2015, 71.6% in 2016 and about 70% in 2017. The main and the primary source of the municipality's operating revenue comprise of property rates and service charges, which together contribute 77 percent to the total revenue of the municipality. Grants and subsidies contributed only 27.8%, 38.4% and 20.2% for 2015, 2016 and 2017 respectively. This is a clear indication that the municipality is not dependent on government grants for its operations.

The table below is an extract of the municipality's capital expenditure revenue as per the municipality's MTREF budget:-

Table 10: grant dependency - capital

Description	2014		2016		2017	
Funding sources	R'000	%	R'000	%	R'000	%
Transfers recognised	121 907	35,7	132 181	42,8	196 312	89,5
Borrowing	205 345	60,1	76 535	24,8		0,0
Internally generated funds	14 567	4,3	100 035	32,4	23 094	10,5
Capital expenditure	341 819	100,0	308 750	100,0	219 406	100,0

Over the past three financial years, the municipality did not depend on grants for its operations. The municipality will generate operating revenue to the amount of R5.2 billion, with 72% of total revenue was from own revenue in 2015, 71.6% in 2016 and about 70% in 2017. The main and the primary source of the municipality's operating revenue comprise of property rates and service charges, which together contribute 77 percent to the total revenue of the municipality. Grants and subsidies contributed only 27.8%, 38.4% and 20.2% for 2015, 2016 and 2017 respectively. This is a clear indication that the municipality is not dependent on government grants for its operations.

Over the past three financial years, the municipality will spent R405.6 million on capital projects, with 210.0 million, R239.5 million and R56.0 million to be generated in 2018/19, 2019/20 and 2020/21 financial years respectively. The main and the primary source of the municipality's capital expenditure is government grants, which is 67%. This comprise of MIG, NDPG, MWIG and NIEP. The remainder is 32% will funded from internal reserves. The municipality has no intending to take any new loans over the next three financial years. The municipality had previously taken up loans.

13.19.7 Indigent Support.

In terms of the Indigent Policy (see attached as Annexure), the monthly household earnings of an indigent application is limited to R3,500 for old aged pensioners and poor households. The onus lies with the applicant to come forward and register for indigent support in line with the Council approved indigent policy. The Free Basic Services is funded through the equitable share which is received from National Government.

The table below reflects the growth in the indigent register from 30 June 2015 until June 2017:-

Table 11: indigents

Date	Approved indigents	Growth

30 June 2014	18 415	
30 June 2015	18 735	1.73%
30 June 2016	19 593	4.58%
31 May 2017	20 696	5.63%

As per the above table the growth in the indigent register is steadily increasing. This is directly attributable to the high levels of unemployment especially amongst the youth within the Newcastle area, large number of child headed households and increased number of pensioners.

An independent review of the indigent register at 30 June 2017 was conducted to determine validity, accuracy and completeness thereof. A total of 13 662 indigents (66%) are correctly classified as indigent and a total of 7 036 indigents (34%) should be subjected to a review in order to ascertain the validity of the indigent status. A total of 4 130 of the indigents that are subjected for review are deceased which is 59% of the total number of indigents that should be reviewed. The affected indigent customers were invited to validate their indigent status and if this could not be done then they were deregistered. This review process was completed in January 2018. This was phase one of the validation and review process.

The second phase of the review process involves the validation of all indigent customers who have registered prior to January 2016. This validation process is important as we will ensure that we have all the necessary documentation on file for the indigent customer and that the validity of the indigent customer. This process is scheduled to be completed no later than 31 May 2018 to ensure that we have a credible indigent register at the end of the 2017/2018 financial year.

However, all account holders who qualify for indigent support are encouraged to register accordingly. The wards with the highest concentration of indigents are represented on the table below:-

Table 12: Indigents

WARD	NO. OF INDIGENTS
WARD 20	1 626
WARD 14	1 429
WARD 9	1 394
WARD 10	1 312
WARD 17	1 179
WARD 11	1 119

WARD 24	058

Table 13: Indigent Subsidies and Rates Rebates

ITEM	ADJ. BUDGET 2016/17	MTREF 2017/18	MTREF 2018/19	MTREF 2019/20
Indigent subsidies				
a) Electricity consumption	50 kwh/ mth	50 kw	50 kwh/ mth	50 kwh/ mth
b) Water consumption	12 kl/mth	6 kl	6 kl/mth	6 kl/mth
c) Basic Water	100%	100%	100%	100%
d) Basic electricity	100%	100%	100%	100%
e) Sanitation	100%	100%	100%	100%
f) Property Rates	100%	100%	100%	100%
g) Refuse Removal	100%	100%	100%	100%
The Rates Rebates				
1) Flood victims	50%	50%	50%	50%
2) Pensioners - funded from Own Revenue.	25%	25%	25%	25%
3) Bed and Breakfast Businesses - From own revenue	25%	10%	10%	10%
4) Business developments with property > R50m				
From year 0 to 4	75%	40%	40%	40%
From year 5 to 6	50%	25%	20%	20%
From year 7 to 8	25%	10%	10%	10%
From year 9 onwards	0%	0%	0%	0%

13.19.8 Municipal Consumer Debt Position.

The total municipal debtors per consumer class and aging can be summarised as follows:-

Table 14: debtors

Category	Current - 60 days	90 - 150 days	150 - 360 days	360 days +	Total
	R'000	R'000	R'000	R'000	R'000
Business	38 271	5 451	10 085	47 576	101 383
Councillor	-9	7	14	27	39
Employee	77	153	202	738	1 170
Farms	80	17	50	380	527
Government	-3 740	2 874	7 609	24 229	30 973
Individual	71 209	53 417	113 154	617 504	855 283
Total debtors	R 105 889	R 61 918	R 131 114	R 690 454	R 989 375

The debtors age analysis at 30 June 2017 reflected owing of R 989 375 480. The debt owing under 60 days has been excluded from the analysis below as this debt is considered to be deemed as current. The debtors' book can be further analysed as follows:-

Category	Debt below 360 days	Debt below 360 days	Above 360 days	Debt above 360 days	Total Debtors	Percentage of total debt
	R'000	%	%	R'000	R000	%
Business	15 536	24.61	75.39	47 576	63 111	7.14
Councillor	21	43.41	56.59	27	48	0.0005
Employee	355	32.46	67.54	738	1 093	0.12
Farms	67	15.01	84.99	380	447	0.051
Government	10 483	30.68	69.32	24 229	34 712	3.93
Individual	166 570	21.24	78.76	617 504	784 074	88.74
Total debtors	193 032	21.85	78.15	690 454	883 486	100.00

The Newcastle Municipality has been burdened by a culture of non-payment for services resulting in generally low collection rates, and increasing debtors' balances. Improving the current collection rate, particularly in the Newcastle Eastern Region, is crucial for the financial stability of the Municipality. A stable balance sheet is critical to eradicate backlogs in basic service delivery and to support and facilitate economic development.

As per the above analysis debt owed by individuals comprises 88.74% of the total outstanding debt. Further, the debt owing in excess of 360 days comprises 78.15% of the total debt outstanding hence indicating that the debt collection strategies need to be prioritised in order for the municipality to improve its liquidity. As per our statistics we are only collecting 80% of the monthly revenue billed therefore creating a shortfall in excess of R20 million rand per month, 89% of this shortfall lies within the individuals' category.

The areas where we supply electricity has an average payment factor of 92% due to the disconnection of electricity control processes for defaulting customers. The average payment factor in the areas where we do not supply electricity is 20% and therefore our debt collection strategies are mainly focused towards increasing the payment factor in these areas.

We have formulated a debt collection strategy that primarily focuses on improving the monthly payment factor which will increase our cash inflows and ultimately rehabilitate our debtors' book. The strategy includes many initiatives including incentive schemes that will encourage the defaulting customer to start paying their monthly municipal bill which is of paramount importance in improving the cash inflows and rehabilitating the debtors' book. It should be noted that as part of the debt collection strategy each individual debtor's account needs to be analysed and categorised which will form the basis of how the debt should be collected. These categories include vacant land, owner accounts, queried accounts etc.

The Municipality is currently focusing on methods and interventions with the aim of sustaining its current operations. The key objective towards achieving this goal is to inculcate a culture of paying for municipal bills by encouraging consumers to start being conscientious ratepayers. We have already embarked on various initiatives to achieve our goal which include extensive awareness campaigns through the Speaker's Office to spread this message among our consumers, calling customers who have been identified as ratepayers who are able to pay their municipal bills but are not paying and a water restriction program. All these programs are performed without the assistance of the service provider. The establishment of the in house credit control and debt management unit will fast track these collection strategies to ensure the financial turnaround of the municipality.

Newcastle Municipality has always utilised service providers to carry out the function of credit control and debt management. This practice has proved to be ineffective, especially over the past three years where the service provider has added minimum value towards fulfilling their mandate of reducing the debtors' book and increasing our cash flows. The service provider has failed to produce innovative methods and strategies to assist in improving the debt collection situation at the Municipality.

The contract with the current service provider is expiring on 30 April 2018 and the municipality will not be extending the contract nor will be procuring another service provider. We will be performing the credit control and debt collection function in house and processes are currently underway to establish this unit.

13.19.9 Supply Chain Management (SCM).

The Newcastle Municipality has in place functioning Bid Committees established in line and in terms of regulations 26, 27, 28, and 29 of the MFMA Supply Chain Management Regulations. The committee system for competitive bids consists of the following committees:-

Bid Specifications Committee;

Bid Evaluation Committee; and

Bid Adjudication Committee.

The accounting officer appoints the membership of the bid committees which is only valid for one financial year and the process is repeated every year to ensure that for each financial year a functioning bid committee system is in place. However, the Municipality, does have challenges experienced in the Supply Chain Management Unit and some of which are listed here below:-

The Acquisition Management section has not been able to ensure that the turnaround times for bids and/or formal quotations is within the acceptable norms.

This is due to there no being proper monitoring of the whole bidding process from bid specification stage to bid adjudication stage.

There is no proper register for quotations in terms of relations 16 and 17 of the municipal supply chain management regulations, respectively.

The rotation of suppliers/service providers in the system of quotation is not effective.

The Demand Management section has not been able to put together a Procurement/Demand Management Plan.

The Supply Chain Management Unit is not fully staffed, with a vacancy rate of approximately 60%. Notable vacancies are that of Director: Supply Chain Management and Manager: Demand and Contract Management.

The Supply Chain Management Unit is placing over reliance on interns and temporary contract workers, most of whom their contract will be expiring at the end of May 2018.

There are also acting appointments for supply chain management practitioner positions that have not been filled for years and these the acting appointments expire in the April 2018. Should these be not extended, the unit will be faced with serious challenges.

The contract management section has no permanent staff.

13.19.10 Municipal Infrastructure and Asset Maintenance (Q&M).

As at the end of 2017, the municipality had total assets to the value of R8.3 billion, which comprises of Property, Plant and Equipment, Cash and cash equivalent, Investment Property, Intangible Assets, Investment in Associate, Receivables, Vat receivable, Inventory and Consumer Debtors. It is worth mentioning that property, plant and equipment of the municipality amounted to R7 billion at the end of 2017, and this is a good indicator of the municipality's capacity to render service delivery to communities that it serves. Net consumer

debtors amounted to R451 million, which is a clear indication that management needs to develop strategies to collect its revenue.

Table 15: Total asset structure

Asset Item	2017 R'000	2016 R'000	2015 R'000
Total Assets	8 311 282	8 496 295	8 075 646
Property, Plant & Equipment	7 056 677	7 353 830	7 478 263
Cash & cash equivalents	50 508	44 573	340 813
Investment Property	365 272	275 974	207 527
Heritage Assets	6 991	6 327	2 965
Intangible Asset	8 687	8 540	1 760
Investments in Associate	301 163	346 321	385 132
Long-Term Receivables	5	8	10
Vat	-	10 753	27 751
Inventory	15 224	13 381	10 896
Consumer Debtors	452 627	395 097	749 006
Other Debtors	54 128	42 838	37 088

The performance of the repairs and maintenance against the Property Plant and equipment seem to be very low than the required norm of 8%. Over the past three financial year, the ratio has been as follows:

Table 16: Repairs and maintenance

Description	2017 R'000	2016 R'000	2015 R'000
Property, Plant & Equipment	7 056 677	7 353 830	7 478 263
Repairs and maintenance	85 654	112 990	75 588

Repairs and maintenance	1,20%	1,50%	1.00%

It is noted that the municipality has failed to spend adequately in the maintenance of its assets. A reduction of about R27 million in the expenditure on maintenance in noted with concern between 2016 and 2017 financial years. This ratio seem to be decreasing when compared over the years. The decrease and failure of the municipality to meet the targeted norm is attributable to the valuation of infrastructure assets which was perform by the municipality in 2014/15 and 2015/16 financial years. This resulted in the value of infrastructure assets increasing by over 100 percent. While the municipality will strive to improve this situation through in budget, but it is acknowledged that it will take a number of years for this position to be achieved.

The 2018/19 budget indicate this ratio reducing even further due to the reduction in the budget of repairs and maintenance. The ratio is projected to be 0.9%. Due to the implementation of cost containment measure and limited cash resources, it will be noted that all categories of expenditure were negatively affected, with the exception of those that are regulated by externally. While this picture is projected to improve over the entire MTREF period, it is however acknowledged that it will take time, given the constrained financial resources.

13.19.11 Municipality Credit Rating.

The municipality can utilize financial ratios to aid in managing their cash position as well as alert them to the possibility of financial difficulties. Calculating the ratios are not enough. The municipality needs to also consider the trends and patterns over the various financial periods and thus ascertain a better understanding of their cash position.

Solvency Ratio.

The municipality remains solvent with total assets in excess of total liabilities. This is a comforting scenario, as the municipality continues to invest in assets. During 2017 financial year, over R219 million was invested in assets. As outlined in the table below, the solvency position (ratio of assets to liabilities) of the municipality has decreased from 8.05 in 2016 to 7.2 in 2017. The decrease is due to the depreciation of assets between the two financial years.

The table below illustrates our solvency situation for the three years being analysed. Of concern is the fact that the ratio keeps decreasing as year go by, which means that the municipality my end up having challenging in honouring their obligations in future if no action are taken to improve the situation:

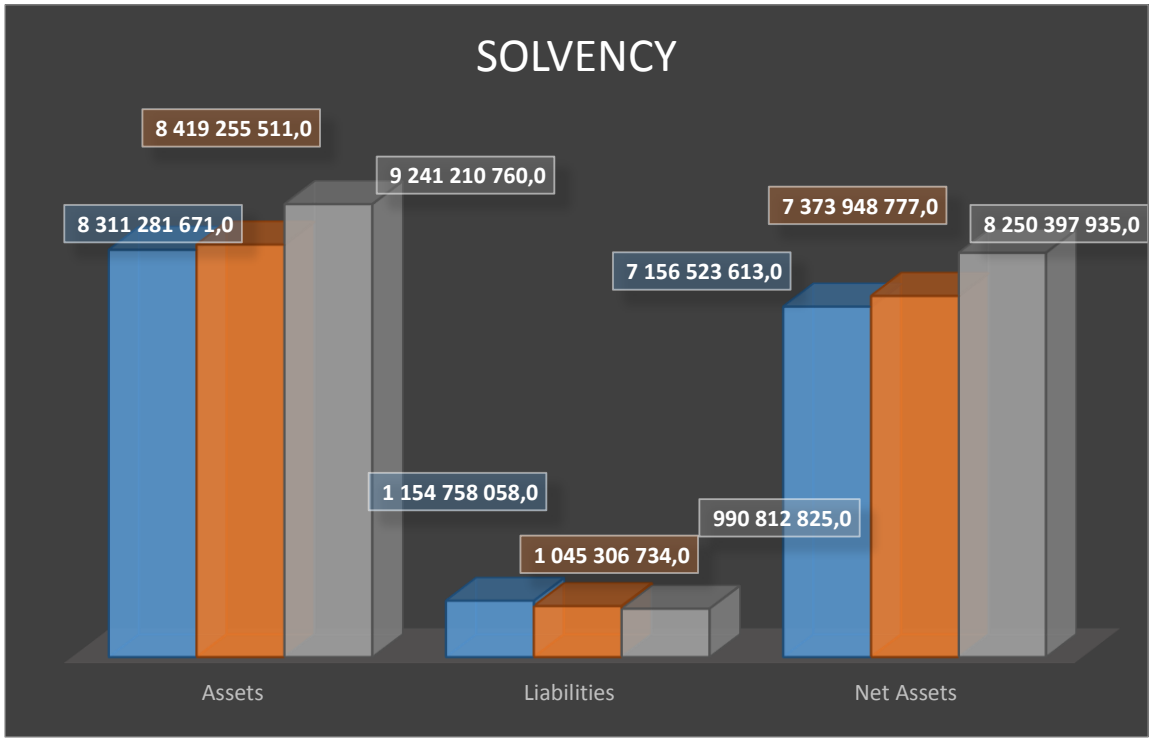
Table 17: Solvency ratio

Item	2017 R'000	2017 R'000	2015 R'000
Assets	8 311 281	8 419 256	9 241 210

Liabilities	1 154 758	1 045 307	990 813
Net Assets	7 156 524	7 373 949	8 250 398
Ratio	7.2	8.05	9.32

The graph below illustrates our solvency ratio analysis:

Figure 5: solvency position



Liquidity Ratios.

As evident from the table below, the capacity of the Municipality to fulfil its short term obligations is positive. The ratio has decrease from 23.03 in 2015 to 1.04 in 2017. The decrease is due to additional provision for doubtful debt, which has seen debtors which are likely to be concerted to cash reducing drastically. This ratio is now below the required now of 1:2 and clearly indicate that soon the municipality will be struggling to pay for its creditors.

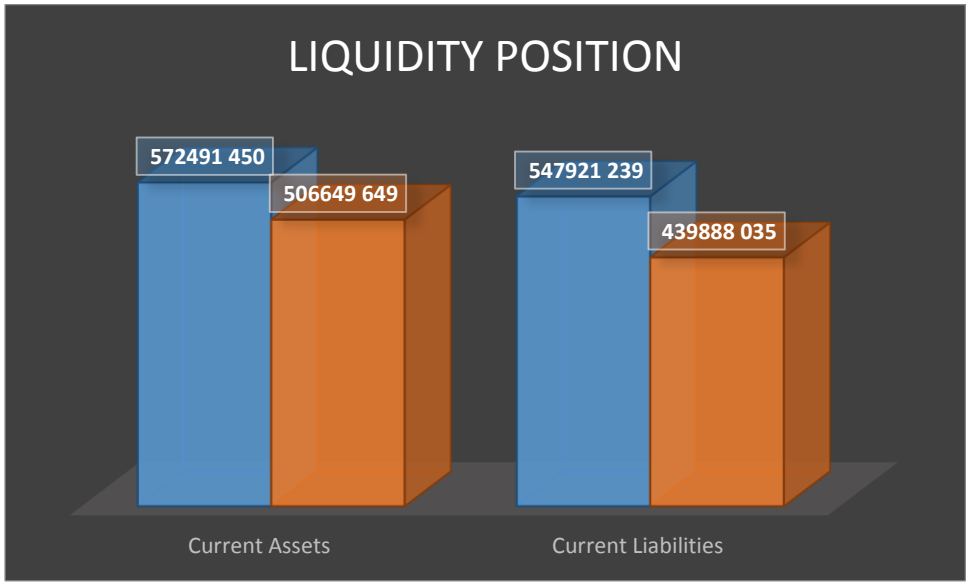
Table 18: Current ratio

Table 11: Current Ratio			
Item	2017 R'000	2016 R'000	2015 R'000
Current Assets	572 491	506 650	1 165 620

Current Liabilities	547 921	439 888	384 487
Ratio	1.04	1.15	3.03

The graph below further illustrates our liquidity situation.

Figure 6: Liquidity position



Net Cash Position (Net of Unspent Conditional Grants).

(Cash and Cash Equivalent – Unspent Conditional Grants)

(R50 507 758 – 41 556 011)

= Net Cash Position R 8 951 747

Conditional Grants are provided to municipalities for a specific purpose and cannot be used for the general operations of the municipality. This ratio identifies whether the municipality has sufficient funds to ensure the cash backing of Unspent Conditional Grants. At the end of 2017, adequate cash was available to repay conditional grants.

Net Cash Position (Net of Unspent Conditional Grants and Reserves).

(Cash and Cash Equivalent – Unspent Conditional Grants – Self Insurance Reserve – Housing Development Fund)

(R50 507 758 – 41 556 011 – 25 071 001 – 530 020)

= -R16 649 274

This ratios indicates that as at the end of 2017, available cash was inadequate to repay conditional grants, Housing Development Fund and to provide for Insurance reserve in cases

of emergent breakdown. This implies that the municipality was required additional cash of R16.6 million in order to honour such requirements

Employee related costs (including Councillor Allowance).

The table below is the extract of the municipality's operating expenditure, including employee related costs and councillor remuneration other the past three years.

Table 19: Employee costs

Description	2014		2016		2017	
Expenditure by item	R'000	%	R'000	%	R'000	%
Employee costs	364 366	27,8%	489 601	19,3%	495 757	24,7%
Remuneration of councillors	20 124	1,5%	18 453	0,7%	20 389	1,0%
Depreciation	307 477	23,4%	456 741	18,0%	472 110	23,6%
Finance charges	33 542	2,6%	66 141	2,6%	65 784	3,3%
Bulk purchases	481 682	36,7%	515 969	20,3%	560 778	28,0%
Transfers and grants	54 913	4,2%	90 764	3,6%	–	
Other expenditure	49 232	3,8%	900 751	35,5%	388 709	19,4%
Total Expenditure	1 311 335	100,0%	2 538 419	100,0%	2 003 528	100,0%

During the 2015/16 financial year, employee costs were 19 percent of the total operating expenditure, which councillor remuneration only contributed 0.7 percent. These expenditure levels are well within the norms as required by National Treasury. In the 2017/18 budget, employee costs and bulk purchases and councillor remuneration will contribute 30 percent and 1% respectively to the total operating expenditure. This is showing a significant increase, however such increase is only attributed to increase in salary increase due to annual bargaining agreements as well as the major cuts in depreciation and other expenditure. This has proportionately increased the contribution of employee costs and councillor remuneration to the total operating expenditure.

13.19.12 Current and Planned Borrowings.

Table 20: Borrowings.

Long-term loans	2017 R'000	2016 R'000	2015 R'000
Long-term loans	479 218	487 878	473 262

The Long Term loans has increased from R473 262 to R479 218 which is an increase of 1.7% the past two years. The increase is mainly due to interest that has been capitalised during 2017 and which were not paid due to cash flow challenges. It must be noted that the long term loans currently represents 41.4% of the total liabilities of the municipality. With respect to 2017/18 financial year the municipality had resolved at not taking any further loan. The capital budget will to be funded mainly from government grants and Internal funding only.

The municipality is not intending is not intending to take any new borrowing in the next three financial years. This is evidenced in the summary of the capital expenditure in the MTREF budget as reflected in 1.5.4 above. As 31 March 2017, the table below indicate the financial position of the municipality. The position is brought in with a view to assess the municipality affordability to settle its commitments, including borrowings.

As at 31 March 2017, current liabilities of the municipality amounted to 400.6 million, while current assets amounted to R618.6 million. This indicates that municipality's ability to pay its current liabilities. Analysis further indicate that it will not be in the best interest of the municipality to take new loans. While the long term assets are exorbitantly highly than non-current liabilities, cognisance needs to be taken that R7 billion of these comprise of Property Plant and Equipment, which may not easily converted into cash.

13.19.13 Auditor General's Opinion.

The audit results of the financial statements for the past four years can be summarised as follows:-

Table 21: Audit results

Year	Audit opinion	Basis for qualification

2017	Unqualified	N/A
2016	Unqualified	N/A
2015	Qualified	Infrastructure assets
2014	Qualified	Leave provision, Work in Progress and Infrastructure Assets

The above results on the audit of the financial statements by Auditor General indicate that there has been significant improvement and commitment by management in resolving issues addressed in the audit reports. In 2014, the municipality was qualified on three areas, being the leave provision, Work in Progress as well as Infrastructure assets. Over the four-year period, the municipality has managed to clear all qualification areas to an extent that the 2016 and 2017 financial statement was audited to fairly present the financial performance, position and cash flows of the municipality. It will however be critical that management strengthen its internal controls so that this position keeps on improving to a point where the clean audit opinion is achieved. There is a need for the municipality to look at Credit control and Debt management and Indigent policies. The debtor's book is currently seating at R1.1billion, there should be more strategies in place to recover this finding and the criteria to be used to identifying qualifying indigent's beneficiaries and to impair non-collectable indigents and other consumer debtors.

Management has developed the actions plans to both Auditor General's Audit Report and Management report with a view to address all the areas of weaknesses as identified, and to improve the audit outcome. These plans are monitored through a series of engagements with senior management and through oversight by the Audit Committee, The medium term vision of the municipality is to achieve a clean audit opinion. Management of the municipality remains committed to improve the financial systems and controls of the municipality with a view to continually improve the audit outcomes.

13.19.14 Auditor General's Report.

Report on the audit of the financial statements.

Opinion:-

I have audited the financial statements of the Newcastle Municipality set out on pages … to …, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, comprising a summary of significant accounting policies.

Basis for opinion:-

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Newcastle Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of

Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this report.

I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter:-

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairments – trade debtors:-

As disclosed in note 34 to the financial statements, material impairment losses of R30.79 million were incurred as a result of a write-off of irrecoverable indigent debtors.

Other matter.

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes:-

In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements:-

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA, DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements:-

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report.

Introduction and scope:-

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for development priority 2- basic services delivery and infrastructure on pages x-x presented in the annual performance report of the municipality for the year ended 30 June 2017.

I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and

relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings in respect of the usefulness and reliability of the selected development priority are as follows.

Development priority 2: Basic services delivery and infrastructure :-

Number of houses completed for Siyahlala-la housing project – Performance target not specific. The target as determined during planning for this indicator was not specific in clearly identifying the nature and required level of performance, as required by the Framework for Managing Programme Performance Information (FMPPI). Various indicators – Performance indicators not measurable and reliable.

I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the targets in the table below. The municipality made use of data for the reported achievements without adequately confirming the validity, accuracy and completeness thereof. This was due to a lack of technical indicator descriptions, proper performance management systems and processes and formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported, as required by the FMPPI. I was unable to confirm that the reported achievement of these indicators was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of the indicators listed in the table below.

Performance indicator	Reported achievement
Percentage of households with access to basic levels of water	92%
Percentage of households with access to basic levels of sanitation	92%
Number as well as percentage of households serviced (refuse)	60 726 (71%)

Other matter.

I draw attention to the matter below.

Achievement of planned targets:-

The annual performance report on pages' x to x includes information on the achievement of planned targets for the year and explanations are also provided for the underachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 19 and 20 of this report.

Report on the audit of compliance with legislation

Introduction and scope:-

In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislation are as follows.

Annual financial statements:-

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management:-

Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(1)(j) of the MFMA and regulation 44 of the Municipal Supply Chain Management Regulation, 2005 (MSCMR). Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the supply chain management (SCM) process, as required by MSCMR 38(1).

Commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content, as required by section 9(1) of the Preferential Procurement Regulations of South Africa, 2011.

Expenditure management:-

Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Reasonable steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. This is due to the irregular expenditure of R48 million as disclosed on note 53 and the fruitless and wasteful expenditure of R1.1million disclosed in note 52 of the financial statements.

Consequence management:-

Unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Human resources management:-

Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Other information:-

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the mayor's statement, municipal manager's foreword and audit committee's report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in the auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein; I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate; however, if it is corrected this will not be necessary.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.

The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the performance report and the findings on compliance with legislation included in this report.

Leadership:-

Leadership was slow in monitoring implementation of prior year action plans to address prior year internal control deficiencies. The chief financial officer position remained vacant for the entire year. Furthermore, policies and procedures to enable useful performance reporting were not developed.

Financial and performance management:-

Management did not implement processes to define, verify and adequately measure information reported in the annual performance report, this is due to the lack of technical indicator descriptions and standard operating procedures by the municipality to allow for verification of reported information. Furthermore, management did not prepare accurate financial statements and adequately monitor compliance with legislation due to lack of sufficient reviews of the financial statements as well as vacancies in key positions.

Other reports:-

I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

A performance audit was conducted during the year under review on project management for the municipality's infrastructure projects. The report covered infrastructure projects for the period 1 July 2016 to 30 June 2017, and was tabled to management on the 01 November 2017.

13.19.15 Swot Analysis: Financial Viability and Management.

STRENGHTS	WEAKNESSES
Supply chain management systems in place Integrated Financial Management system Acceptable audit outcomes	Lack of adequate skills in some key positions Vacancies in key positions Challenges in the implementation of debt collection strategies
OPPORTUNITIES	THREATS

Support from Treasury and COGTA. Integration with other units to enhance municipal revenue and reduce costs Integration with units to leverage on other government sources	Challenges in the implementation of systems adequately Increase in indigent debtors High working capital needs putting pressure on available resources Regression in audit outcomes

3.20. KEY CHALLENGES.

Although the NLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These are discussed briefly and categorised according to the national key performance areas below.

3.20.1. Service Delivery and Infrastructure.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Huge backlogs in the delivery of basic services (electricity, water, sanitation) within the Newcastle-East area (Johnstown, Blauuwbosch and Cavan), Madadeni and Osizweni townships as well as the surrounding rural settlements located within the vicinity of the Ubuhlebomzinyathi area.	- Improved roll-out of projects towards basic service delivery particularly within the Madadeni, Osizweni and the JBC area including the surrounding rural settlements. - Develop Comprehensive Infrastructure Master Plan. - Construction of a new raw water source in order to improve access to potable water. - Upgrade wastewater collection and treatment facilities
Challenges with the maintenance and development of basic road and storm-water infrastructure particularly within the Newcastle-East area.	- Roads and Stormwater Master Plan. - Improved roll-out of capital program towards basic road infrastructure particular within the Newcastle-East area.
Poor condition of public facilities and a general lack of the required tools and equipment for effective delivery of the related services. i.e. schools, clinics, community halls, early childhood education centers, the library etc.	- Improve access to public facilities through refurbishment of the related infrastructure. - Introduction of new technology in order to improve access .i.e. outdoor gym equipment, ICT systems within libraries etc.
A huge housing backlog due to a large number of people in Newcastle residing in informal settlements, backyard shacks and poorly developed traditional housing structures. The low cost housing need in Newcastle is currently estimated at 74 991 units with the majority concentrated mainly in the Newcastle-East area.	- Improved roll-out of the housing program in order to meet the housing demand. - Introduction of Community Residential Units (CRUs). - Provision of affordable housing opportunities for middle income to address the gap in the market. - Servicing of sites for people to build their own homes.

3.20.2. Municipal Transformation and Organisational Development.

Over the last few years, Newcastle Municipality has gone through a process of fundamental transformation as an organisation with the intention of developing sufficient organisational capacity for an effective performance of municipal functions. As such, a new organogram was developed and is currently being implemented. The majority of critical positions, particularly those of Strategic Executive Managers and Directors have been filled. Management committees have been restructured and new systems and procedures introduced. The new challenges facing the organisation are none other than those of a learning and growing organisation and include issues such as gender equity, cascading down the organisational culture down the hierarchy, horizontal integration of development programmes, etc.

3.20.3. Local Economic Development.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Over the last few decades, the economy of Newcastle Municipality experienced variable trends marked, in all, by shifts from one sector to the other and a general decline in both output and performance thereof.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Review of the NLM LED Strategy. - Development of bulk services and economic zones.
There has been a general decline in coal mining activity with Newcastle and the same applies for agricultural activity. This has led to the shedding of jobs hence increasing the levels of unemployment within Newcastle.	- Promotion of coal mining activity through the NLMs Revenue Enhancement Strategy. - Conservation of agriculturally valuable land. - Provision of support to SMME development particularly towards agrarian reform.
General decline in the manufacturing sector due to structural changes coupled with the poor performance of global financial markets.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Strategic support and assistance to industry.
Unemployment, poverty and inequality fuelled by the concentration of employment opportunities in and around the Newcastle CBD.	- Improved roll-out of the LED program. - Promotion of urban agriculture in the denser urban settlements. - Assistance and support to SMMEs particularly within the MBO area.
Vacancy of the Madadeni Industrial Centre due to its inability to attract investments.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Strategic support and assistance to industry. - Skills training and development. - Development of relationships between industry and SETAs and other tertiary training institutions.
Concentration of private investments within the nodes of Newcastle-West (primary CBD node) and Newcastle-South (regional node), with minor investments to the nodes within the Newcastle-East area (Madadeni, Blaauwbosch, Osizweni). This has	- Fast-track JBC Urban Hub Precinct Plan to attract public investment, funding and private, community investment to unlock social and economic potential of the area - Revitalization of township economy

DEVELOPMENT CHALLENGES	RECOMMENDATION
implications on the community's transportation economics through increased costs in order to access the related services within these few nodes.	- Continued rejuvenation and/or transformation of the Madadeni and Osizweni CBDs through urban renewal programs.

3.20.4. Financial Viability and Management.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Inadequate revenue collection systems within the municipality.	- Introduction of new technology towards improving revenue collection .i.e. water smart meters, prepaid electricity. - Strategic support and assistance to industry.
Low recovery of amounts owed for rendering of municipal services from consumer debtors.	- Outstanding accounts with no queries to be forwarded to the respective consumers for making the necessary payment arrangements. - Indigent verification. - Capacitating of staff and field workers.
Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts.	- Appointment of field workers. - Investigate the possible use of a service provider for meter reading as compared to performing the function in-house.
Lack of advice to Council on revenue enhancement mechanisms.	- Updated financial plan. - Capacity building towards revenue enhancement and the related mechanisms.

3.20.5. Good Governance and Public Participation.

The Newcastle Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

However, the functionality and effectiveness of the ward committees remains a major challenge. Some of these are not unique to Newcastle Municipality as they relate to the design of the ward committee system as well as the procedures for their operation. As such, they are systemic in nature and should be addressed as part of government programmes to deepen democracy. Synergistic relations should also be strengthened with the business community, farmers associations, organised labour and other stakeholders.

3.20.6. Cross-cutting issues.

DEVELOPMENT CHALLENGES	RECOMMENDATION
The town serves as an administrative and economic hub for the North-Western part of KwaZulu-Natal, including the whole of Amajuba District and some of the surrounding areas in the Ubuhlebomzinyathi District and the Mpumalanga Province. However the key question raised relates to whether or not NLM is developed with sufficient infrastructure including adequate capacity to play its role as a sub-regional economic hub.	- Infrastructure Master Plan. - Absorption and retainment of highly skilled personnel within NLM.
There's been a rapid increase in the rate of urbanization in Newcastle resulting in the development of settlements along P483, in particular, linear settlements such as KwaMathukuza, JBC towards the Khathide area. Rapid urbanization bring with it many problems and places huge demands on the need for land, municipal services, housing, transportation and employment.	- Spatial integration through densification, gentrification and compaction. - Establishment of service delivery centers. - Sustainable human settlements.
NLM can broadly be defined as a region exhibiting a legacy of poor apartheid planning through an inefficient spatial pattern. This includes the low-density urban sprawl which is fuelled in the Newcastle-West area by anti-city values of suburbia that promotes large plots as an image of good urban living, a cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighborhood unit or super block, and the separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes.	- Spatial integration through densification, gentrification and compaction. - Development of community residential units (CRUs) in order to achieve higher densities within the urban areas.
Poor quality of the environment manifested in the form of deteriorating water quality, poor air quality, poor waste disposal and collection thereof, and a general lack of open spaces within NLM.	- Development of a climate change strategy. - Environmental awareness campaigns. - Development of positively performing open spaces. - Air quality management. - Water conservation awareness campaigns. - Planting of trees.
High levels of poverty attributed to general low levels of income and skilled labour.	- Improved roll-out of the LED program. - Promotion of urban agriculture in the denser urban settlements. - Assistance and support to SMMEs particularly within the MBO area. - Skills training and development.
Disparities regarding residential densities within the municipality. Higher densities are found closer to established nodes as well as informal settlements. Subsequently the lower densities are found on the peri-urban areas located within the urban edge and	- Spatial integration through densification, gentrification and compaction.

DEVELOPMENT CHALLENGES	RECOMMENDATION
other rural nodes beyond the urban edge. This has resulted in a disintegrated spatial pattern characterized by uniform, irregular, random and concentrated residential densities at specific areas.	
Lack of sufficient GIS data pertaining to the environment.	- Improved alignment with environmental management custodians such as KZN Wildlife as well as the World Wildlife Fund in order to align and streamline priorities towards improved environmental management and also data sharing. - Finalization of the environmental management framework.
The NLM waste disposal site is nearing the end its carrying capacity hence its lifespan.	- Establishment of a new landfill site.

3.21. DEVELOPMENT TRENDS AND PATTERNS.

3.21.1. Regional Role and Significance of Newcastle.

The identification of Newcastle as an important secondary investment node with potential for industry, agriculture and tourism, indicates its importance on a regional and provincial scale. Newcastle is strategically located halfway between Johannesburg and the harbours of Durban and Richards Bay, and is well connected to these centres by means of both rail and road infrastructure. The N11, P612 and the P483 are some of the roads running through the NLM serving a national, provincial and regional function.

The town serves as an administrative and economic hub for the north-western part of KwaZulu-Natal. This includes the whole of Amajuba District and some of the surrounding areas in Mpumalanga Province and Umzinyathi District. This raises a key question whether the town is developed with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub. Some of the critical infrastructure includes tertiary education and health facilities, regional government offices and sports facilities. Equally important is the ability to create employment opportunities and absorb the urbanising labour force. Therefore, planning for the future development of the NLM should go beyond a narrow focus on local issues and incorporate regional social and economic issues.

3.21.2. Urbanisation – Sustainable Human Settlements.

Urbanisation is the process in which the number of people living in cities increases compared with the number of people living in rural areas. An area is considered to be urbanised when over 50% of its population lives in urban places. Rate of urbanisation in Newcastle has been very rapid, resulting in the development of settlements along P483 in particular as linear settlements from KwaMathukuza through JBC to Khathide in the north.

Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment. In Newcastle like many other South African Towns, apartheid has made the problems of urbanisation more complex. Urbanisation of black people was made difficult by forcing them to live in areas far from the town. With the lifting of racial restrictions on where people may live and work, many unemployed people have migrated to urban centres such as Newcastle in search of work, bringing their families with them. The shortage of accommodation in town has forced them to live in informal settlements hence the informal settlements that are spread throughout the area with huge concentrations in the eastern areas. Land under the control of Ubuhlebomzinyathi Community Authority has also been specifically targeted as these areas present opportunities for a rural lifestyle in an urban context.

This presents the municipality with a challenge to devise strategies to manage the urbanisation phenomenon, and ability to undertake pro-active planning in anticipation of population growth. All housing projects undertaken to-date have been reactive.

3.21.3. Roads and Stormwater.

Local government has a constitutional duty to provide basic services and Newcastle Municipality is no exception. In conjunction with both national and provincial plans, Newcastle Municipality is required to build infrastructure in order to grow the capacity of the economy, boost various sectors of the economy with a specific emphasis for faster growth and address the inequality that marginalize the poor in the second economy. In terms of road infrastructure, over 80% of all roads in Newcastle are in a poor state, of which 704km are unpaved with 254km surfaced roads. The gravel roads constitute 404km of roads. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. Newcastle Municipality has a huge legacy in addressing the basic needs. The challenge is also due to spatial inefficiency in ensuring that rural communities also enjoy the same benefits as those enjoyed by urban communities. In this regard, roads and transport plays a critical role in facilitating the movement of goods and services and rural areas to urban centres. The accommodation of storm-water has a tremendous influence on the life of a road. This requires the municipality also to focus on storm-water management in order to increase the life span of the roads. While the municipality focuses on upgrading new roads, they also need to do maintenance on the existing roads in order to keep the municipal area an accident free.

3.21.4. Inefficient Spatial Structuring.

While the regional economic development forces remain one of the main structuring elements within the NLM, the past apartheid policies have had a profound impact on the structure and functionality of the area. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located

people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The NLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following:

- Low density sprawl which is fuelled in the Newcastle West by anti-city values of suburbia which promotes large plots as an image of good urban living. Factors that contribute to urban sprawl includes continued existence of low density residential suburbs designed in terms of garden city concepts, and entrenched into the Town Planning Scheme through inflexible density controls and scheme clauses such as coverage, minimum site sizes and permissible uses, and easy access to land for settlement in the east.
- Cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block. This has given rise to a coarse grain urban environment characterized by single dwelling units and building ancillary thereto on large plots of land (garden city concept). As such there is a high impact on available land in relation to population size, and travel within the city is costly in terms of time. This gives rise to inefficiency in the use of energy, transportation and movement, and delivery of services.
- Separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. The separation of places of work and residence was deeply entrenched in the philosophy of urban management. A large number of the poor are living on the urban periphery further away from the opportunities.
- Despite businesses being attracted to decentralised locations, the central area has shown some resilience in that new businesses have moved in to occupy space vacated by those who have moved to decentralised locations. However, decay/decline is evident in some sections of the central area.
- The combined consequences of these spatial patterns have been phenomenal leaving the area with entrenched inequality and functional inefficiency. It created islands of spatial affluence in a sea of geographical misery (CSIR, July 2002:4). It created a distorted, fragmented, incoherent and inefficient settlement pattern. It also gave rise to spatial, social and economic exclusion of certain race groups to the benefit of other, and created a poorly functioning land and housing market.

3.21.5. Economic Stagnation.

Over the last few decades, the economy of the Newcastle Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining

activities are still evident in the area, it is no longer appropriate to regard Newcastle as a coal mining town. The same applies to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Manufacturing remains the main economic activity in the NLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance. These challenges include the dominance of the clothing and textile sub-sector which implies the lack of economic diversity, poor labour conditions in some of the factories and lack of new investment.

In the light of this, there is an urgent need to redefine the role of Newcastle in the provincial and national economy. This may include the identification of new sectors, diversification of some existing factors and strengthening functional integration between Newcastle Town and the surrounding rural hinterland. Tourism development is also one of the key sectors that need to be explored.

3.21.6. Poor Access to Social Facilities.

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Newcastle Municipality. It manifests itself in the following forms:

- Poor condition of schools, which does not contribute to building a culture of learning and teaching.
- Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.
- Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.
- Poor access to library services which also affects the development of a culture of learning and teaching.
- Poor access to welfare services including pension pay points, magistrate services, etc.
- Poor access to cemeteries.

Attention should be given to lack of sport fields, parks and swimming pools in the MBO area in order to revive the sport in Newcastle considering that the municipality has a history of producing world stars on soccer.

3.21.7. Infrastructure Backlog.

Access to basic services is one of the main elements of socio-economic wellbeing of an area. The status of the physical and economic development level of a community such as that of Newcastle is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for Newcastle Municipality whereas

the town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Newcastle Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Newcastle East. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Newcastle and deserves some attention in the planning efforts of the municipality.

3.21.8. Poor Quality of the Environment.

The quality of the environment within the NLM requires an urgent attention. This is symbolized mainly by the following:

- Deteriorating quality of water due to mining activities, pit latrines, use of pesticides and fertilizers, and other water contaminating activities.
- Poor air quality due to emissions. Equipment for air quality monitoring is in place but has not been maintained. Closer collaboration with local industries needs to be developed in this regard.
- Urbanization which results in the establishment of settlements in areas that is unsuitable for human habitation. These include flood lines, wetlands, etc.
- Waste collection and disposal. The municipality needs to work together with local communities, particularly in the townships to develop community based programs for keeping the area clean.
- General lack of active open space in the NLM, particularly the township areas.
- Dirt roads which also contribute to a sterile environment.

3.21.9. Financial Management and Accounting.

The general lack of requisite knowledge by the finance team on GRAP/GAMAP requirements culminates in:-

- An inability to account for financial accounts in line with GRAP/GAMAP accounting standards;
- Reliance on consultants in preparing financial statements in line with GRAP/GAMAP requirements by municipalities already converted from IMFO to GRAP/GAMAP;
- Lack of preparedness by those municipalities still to convert to GRAP/GAMAP requirements; and
- Financial systems not geared towards GRAP/GAMAP requirements.

In addition, the financial diagnostic report identifies the following challenges in financial administration, management and reporting within municipality:

- Lack of systems of internal controls to manage assets evidenced by asset registers not updated when acquisitions, impairments or disposals are made. Reconciliations' of the asset register to the general ledger not performed. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.
- Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

3.21.10. High Rate of Poverty.

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.

Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

3.21.11. Impact of HIV and AIDS.

Accurate statistical information about the prevalence of HIV and AIDS in the NLM could not be obtained. However, AIDS has generally been identified as one of the key factors that will influence development over the next few decades. HIV and AIDS will lead to a range of social and economic problems including the following:

- Increase in the dependency ratio as the number of the economically active who dies of AIDS increase.
- Increase in the number of orphans, which in turn may put strain on the limited welfare budget.
- Decline of population with 20 and below years of age.

- Increase in the number of households with members who need special care and treatment thus putting burden on their families, particularly women who are often the ones who look after the seek in addition to their daily activities
- Slowing of population growth.
- Lack of income in cases where breadwinners die of AIDS.
- Low productivity rate.

3.21.12. Debt Management.

Newcastle Municipality has a total debt roll amounting to R 748 934 335. The majority of this is more than 180days old. Individual households account for R647 851 436 of this amount while government departments owing about R23 174 411. This situation arises from a number of factors including the following:-

- Lack of control over excessive water leaks is the main and major contributing factor for low payment factor – where does a person start paying an account when it amounts to thousands of rands.
- Indigent using excess water – about 14100 indigent accounts have arrears of R 178 million leaving only about 7000 accounts having balances of less than R 500.
- Electricity meter audit not yet finalized – awaiting technical section report
- Lack of community and or buy in from communities
- No policies regarding water leaks other than that account is to be paid
- Need an improved customer care facility, i.e. call centre, with a proper query recording system.

However, the politicians are showing the political will to resolve this predicament by resolving that a Task Team needs to be established with a clear plan to improve the payment factor.

3.21.13. Lack of Financial Discipline.

Lack of systems of internal controls to manage assets evidenced by:-

- Asset registers not updated when acquisitions, impairments or disposals are made;
- Reconciliations of the asset register to the general ledger not performed;
- Regular verifications of assets to ascertain existence and condition not in place.

A lack of these processes contribute to delays in the submission of financial statements due to difficulties encountered in reconciling general ledger / trial balance to corresponding supporting schedules. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.

Inadequate revenue collection systems within municipalities evidenced by:

- Low recovery of amounts owed for municipal services from consumer debtors;
- Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts,
- Lack of advice to the council on revenue enhancement mechanisms.
- Extraordinarily large provisions for doubtful debts being posted on the Annual Financial Statements.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

3.21.14. Skills.

Section 83 of the MFMA prescribes that the accounting officer, senior managers, the Chief Financial Officer and other financial officials of a municipality must meet the prescribed financial management competency levels. The following skills are critical for finance staff:-

- Knowledge of generally recognised accounting practise at transaction level (i.e. inability to account for financial accounts correctly through basic principle of debit and credit),
- Understanding of the importance of month end closure,
- Understanding of reconciliations and their purpose,
- Adequate supervision of staff activities,
- Ability to present meaningful monthly management reports and provide sound advice to the council,
- Ability to prepare annual financial statements in accordance with applicable generally recognised accounting standards.

3.22. KEY ISSUES BY KPA'S.

KEY PERFORMANCE AREAS	KEY ISSUES
Spatial Rational	• The role of Newcastle as a regional hub in the northern part of KZN. • Spatial fragmentation between Newcastle East and Newcastle West. • Low density largely informal urban sprawl particularly in Newcastle East.

KEY PERFORMANCE AREAS	KEY ISSUES
	• Increase in the isolated and dislocated settlements such as Ingogo. • Lack of housing opportunities for the poor in and around the CBD. • Settlements occurring in environmentally sensitive areas. • Implementation of a wall-to-wall scheme.
Municipal Transformation and Organisational Development	• Appointment of females and the disabled in senior management positions. • Implementation of Municipal Turn Around Strategy. • Developing systems for effective information management and institutional memory. • Ongoing staff training and capacity building. • Ability to attract and retain qualified and experienced staff in technical and financial management functions.
Service Delivery and Infrastructure Analysis	• Aging infrastructure in Newcastle West. • Service backlogs in JBC and surrounding rural settlements. • Lack of spare capacity in the water treatment works. • Storm water management. • Dirt roads in the MBO. • Poorly located landfill site. • Informal settlements. • Lack of social housing opportunities.
Local Economic and Social Development	• Lack of investment. • Lack of structured support for the SMMEs. • Decline in the agricultural sector. • Decentralisation of shopping facilities and increase in the number of shopping centres. • Opportunities in the coal mining sector.
Municipal Financial Viability and Management	• Debt collection. • Revenue generation. • Implementation of the MPRA. • Financial management.
Good Governance and Public Participation	• Legislative compliance.

3.23. COMMUNITY BASED PLANNING 2017.

As a grass root approach advocating for sustainable livelihoods, the Community Based Planning sessions were conducted across all 34 wards within Newcastle Municipality's jurisdiction. The process was focused on robust grouped engagements amongst the Ward Committees, NPO's, NGO's, Government Departments and other sector representatives from the wards to give a status quo that indicates the strengths

and weaknesses, and the identification of development priorities of their wards. The CBP process was meant to enhance consultative public participation in the IDP process thus ensuring the credibility and relevance of the municipality's IDP. To undertake development at grass root level, community submissions from the CBP were prioritized and informed the consolidated Newcastle Local Municipality's fourth generation Integrated Development Plan priorities. Subsequently the municipal budget will be directly linked to the ward priorities as identified during the CBP process in terms of allocation of the capital investment programme.

The following schedule was followed during the CBP process:-

AREA	VENUE	WARDS	DATES
ZONE 1 (Town)	Fairley	All wards within the town zone which was inclusive of ward 1.	10/02/2017-11/02/2017
ZONE 2 (Madadeni)	Madadeni Community Hall	All wards within the Madadeni zone.	12/02/2017-13/02/2017
ZONE 3 (Osizweni)	Arts Centre	All wards within the Osizweni zone.	14/02/2017-15/02/2017
ZONE 4 (Blaauwbosch)	Youth Centre	All wards within the Blaauwbosch Zone.	17/02/2017-18/02/2017

Following a lengthy process and concentrated deliberations in group effort between the Newcastle Local Municipality, Ward Committee Members, and Community Based Organisations, the following outcomes emanated as Ward Priorities within all 34 wards of the Newcastle Local Municipality:-

ZONE 1 PRIORITY NEEDS								
PRIORITY NEED.	**WARD 1**	**WARD 2**	**WARD 3**	**WARD 4**	**WARD 5**	**WARD 21**	**WARD 25**	**WARD 34**
1.	Poor access to electricity for lighting and cooking (including solar energy and the changing from meter to prepaid electricity)		Poor access to housing and land	No access to a war room	Robots at Drakensburg Road and Umfolozi Road	Poor access to electricity for cooking and lighting	Unemployment	Poor access to housing and land
2.	Poor access to water and sanitation		Ageing infrastructure – Water and Roads	Pedestrian walkways along the Volksrust road	Construction of speed humps	Poor access to adequate water	Poor access to housing	Poor access to basic services (i.e. water, sanitation)
3.	Poor access to land for grazing, farming and human settlement		Unemployment and poverty alleviation	High mast lights	Poor access to social facilities (library)	Poor maintenance of roads	Poor environmental management services (i.e. regular cutting of grass and trees, and illegal dumping)	Poor access to electricity
4.	Poor maintenance of the roads		Poor maintenance of the roads	Poor environmental management services (i.e. cleaning of Ncandu river and the Newcastle Trimpark)	Poor access to health facilities (i.e. clinic)	Poor access to housing and land	Poor environmental sustainability services (i.e. cleaning of Ncandu river)	Unemployment
5.	Poor access to housing (RDP) for poverty alleviation and employment creation		Poor maintenance of sports facilities (i.e fencing of Fernwood grounds)	Traffic robots at Memel Road	Provision of student accommodation	Land Reform	High prevalence of crime and safety	Poor access to health facilities

6.	Poor access to sports facilities		Poor maintenance of stormwater drains	Pedestrian safety (i.e. pedestrian walkways near D96)	Poor access to economic facilities (i.e. Mini Supermarket)	Unemployment	Poor quality of sporting facilities	Poor implementation of municipal bylaws
7.	Poor access to social facilities (i.e. hall and library)		Poor access to adequate sanitation	Poor access to quality sporting facilities	Provision of a pedestrian bridge	Poor access to health facilities (i.e. clinic)	Poor access to social facilities (i.e. skills incubation centre)	Poor access to sports facilities
8.	Construction of a taxi rank		Poor access to sports facilities (i.e. indoor cricket facility)	3 phase robots at Victoria Road	Poor access to social facilities (i.e. pension pay point)	Poor access to educational facilities (i.e. High School)	Drug abuse in the absence of a rehabilitation centre	Poor access to quality roads
9.	Provision of waste removal services		High mast lights and the replacement of streetlights	Poor maintenance of stormwater drains	Poor access to sports facilities	Poor access to community safety facilities (i.e. police station)	Poor access to health facilities (i.e. clinic)	
10.	Fencing of the N11 from Charlestown to Wykom		Poor environmental management services and community safety (i.e. illegal dumping and crime in vacant sites)	Poor maintenance of roads and pedestrian walkways	Crime and safety (i.e. police station)	Poor access to social facilities (i.e. hall)	Sustainable human settlements (i.e. Siyahlala La and the provision of housing, roads, schools, churches, supermarket etc)	
11.	Job creation (i.e. revival of the firms and the introduction of a shopping centre)					Poor access to sports and recreational facilities	Improved access to land	
12.					Poor access to educational facilities (i.e. crèche)			

ZONE 2 PRIORITY NEEDS											
	WARD 14	**WARD 19**	**WARD 20**	**WARD 22**	**WARD 23**	**WARD 24**	**WARD 26**	**WARD 27**	**WARD 28**	**WARD 29**	**WARD 31**
1.	Poor access to public facilities (i.e. community hall and library)	Poor access to educational facilities (i.e. high school)	Poor access to housing	Pedestrian safety (i.e. speed humps)		Pedestrian safety (i.e. speed humps)	Poor road infrastructure (i.e. upgrading of gravel roads)	Poor access to housing	Poor road infrastructure	Poor access to health facilities (i.e. mobile clinic)	Poor access to adequate water services
2.	Poor access to educational facilities (i.e. high school)	Poor access to health facilities (i.e. clinic)	Poor access to adequate sanitation	Poor access to adequate sanitation (i.e. upgrading of current system)		Poor access to adequate sanitation services (i.e. toilets and bulk sewer)	Local economic development	Poor road infrastructure (i.e. upgrading of gravel roads)	Poor maintenance of existing roads and stormwater drainage	Job creation (unemployment)	Poor access to social facilities (i.e. community hall and library)
3.	Poor access to sports facilities (i.e. sports field)	Poor access to recreational facilities (i.e. children's play park)	Community safety (i.e. streetlights and high mast lights)	Access to adequate housing (i.e. removal of asbestos)		Poor access to recreational facilities (i.e. children's play parks)	Poor access to educational facilities (i.e. finishing school)	Community safety (i.e. high mast lights)	Poor access to sports and recreational facilities (i.e. sports centre and youth centre)	Poor access to community safety and security facilities (i.e. mobile police station)	Poor access to health facilities (i.e. clinic)
4.	Pedestrian safety (i.e. speed humps)	High cost of electricity	Poor management stormwater (drainage system)	Community safety and security (i.e. street lights)		Poor access to educational facilities (i.e. schools)	Poor access to community safety and security services (i.e. satellite police station)	Poor access to health facilities (i.e. mobile clinic)	Poor access to social facilities (i.e. library)	Poor access to social facilities (i.e. community hall and library)	Poor access to community safety and security facilities (i.e. police station)
5.	Poor access to community safety and security services (i.e. police station)	Poor access to housing (i.e. housing at H39)	Poor road infrastructure	Pedestrian safety (i.e. sidewalks)		Poor access to health facilities (i.e. clinic and HIV/Aids centre)	Poor access to adequate housing (i.e. ratification of housing)	Community safety and security services (i.e. police station)	Community safety (i.e. street lights)	Poor road infrastructure	Poor road infrastructure

6.	Poor access to adequate sanitation services (i.e. bulk sewer)	High mast lights and street lights	Pedestrian safety (i.e. speed humps)	Poor access to adequate water services (i.e. upgrading of pipes)		Poor access social facilities (i.e. arts centre and pension pay point)	Poor access to quality student accommodation	Poor stormwater management (i.e. stormwater drains)	Poor environmental management services (i.e. grass cutting)	Pedestrian safety (i.e. speed humps and pedestrian bridge)	Poor access to adequate housing
7.		Security of tenure (i.e. Title Deeds)	Poor access to social facilities (i.e. community hall)	Stormwater management		Poor access to housing	Environmental sustainability (i.e. soil stabilizers to reduce soil erosion of river banks)		Poor access to community safety and security services (i.e. mobile clinic)	Poor access to sports and recreational facilities (i.e. children's play park, sports fields, arts centre)	Poor access to educational facilities (i.e. schools)
8.		Pedestrian safety (i.e. speed humps)	Job creation (unemployment)	Environmental management (i.e. cutting of trees)		Poor access to community safety and security facilities (i.e. crisis centre)	Poor access to sports facilities (i.e. netball and basketball court)		Job creation (i.e. entrepreneurship and the allocation of 30% of the total value in terms of the allocated projects)	Security of tenure (i.e. Tittle Deeds)	Poor access to recreational facilities (i.e. children's play park)
9.		Robots (i.e. intersection at brewery)	Poor access to educational facilities (i.e. public crèche)			Poor access to telecommunication facilities (i.e. ICT centre)			Poor access to housing	High mast lights and street lights	Security of tenure (i.e. Tittle Deeds)
10.			Poor telecommunications infrastructure (i.e. Wifi)						Food security (i.e. community gardens)	Education (i.es bursaries for matriculants)	

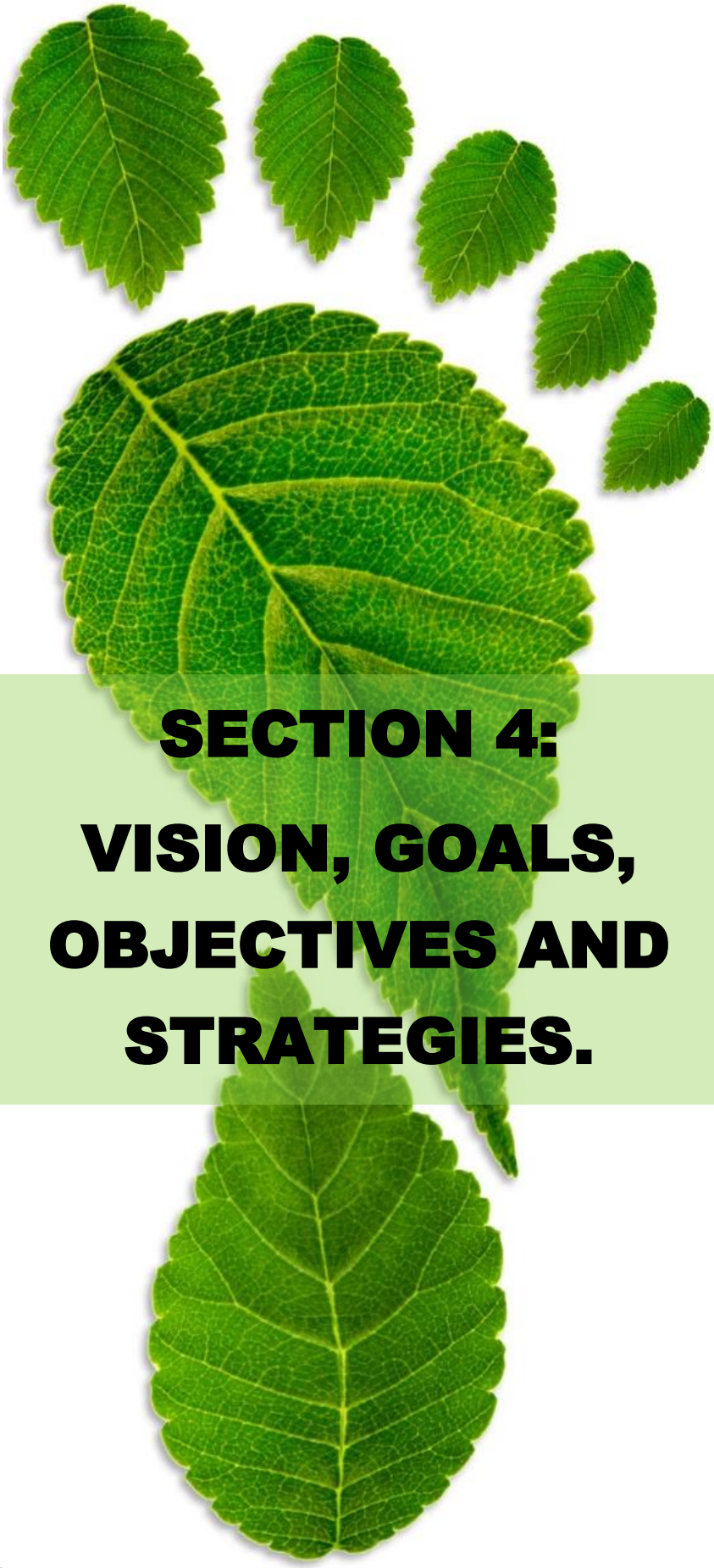
ZONE 3 PRIORITY NEEDS									
	WARD 7	**WARD 8**	**WARD 9**	**WARD 10**	**WARD 11**	**WARD 13**	**WARD 17**	**WARD 30**	**WARD 32**
1.	Poor access to adequate water and sanitation services	Pedestrian safety (i.e. stop signs and robots)	Job creation	No access to a war room	Poor pedestrian safety (i.e. pedestrian bridge)	Poor access to housing and land (i.e. RDP)	Poor access to health facilities (i.e. clinic)	Poor access to adequate sanitation	
2.	Poor access electricity services	Poor access to adequate water and sanitation services	Poor access to adequate sanitation	Pedestrian walkways	Poor stormwater management (V-drain)	Poor access to adequate sanitation services (i.e. toilets and Jakkalspan)	Poor access to sports and recreational facilities (i.e. parks and sportsfields)	Poor access to adequate electricity services	
3.	Poor road infrastructure	Poor access to adequate housing	Poor access to housing and land	High mast lights	Poor public health and safety (i.e. asbestos)	Poor quality of roads	Poor access to housing and land	Poor access to housing and land	
4.	Absence of high mast lights and street lights	Poor stormwater drainage systems	Poor management of roads and stormwater	Poor environmental management services	Poor access to housing and land (i.e. RDP)	Youth unemployment	Roads and stormwater (including sidewalks)	Poor quality of roads	
5.	Pedestrian safety (i.e pedestrian bridge)	Poor access to social facilities (i.e. library and hall)	Pedestrian safety (i.e. pedestrian bridge)	Speed humps	Environmental management services (i.e. termites infestation in the floor cracks of some of the 4 rooms)	Crime and safety (i.e. substance abuse)	Arts and recreational facilities (i.e. arts centre)	Poor access to adequate water services	
6.	Poor access to housing and land	Street lights	Poor access to electricity for cooking and lighting	Poor access to quality infrastructure that is also aging	Pedestrian safety (i.e. speed humps and street lights)	Social problems (i.e. unregulated taverns)	Poor access to land (i.e. occupation of vacant sites)	Pedestrian safety (i.e. pedestrian bridge)	
7.	Poverty and unemployment		Crime and safety (i.e. street lights and high mast light)	No street lights	Job creation and poverty alleviation	Poverty	Poor environmental management services (i.e.	Involvement in municipal programme and projects (i.e. EPWP)	

							cleaning of dongas)		
8.	Poor access to social facilities (i.e. library and hall)		Poor access to community facilities (i.e. clinic, halls, educational facilities)	Provision of socio-economic facilities (i.e. shopping centre)	Poor access to social facilities (i.e. pension pay point)	Poor maintenance of roads (i.e. upgrading of roads)	Unemployment and poverty	Street lights	
9.			Skills and training (i.e. bursaries)	Poor access to health facilities (i.e. upgrading of the existing clinic)	Poor access to sports facilities	Pedestrian safety (i.e. scholar patrol for school children)		Pedestrian safety (i.e. Speed humps)	
10.			Poverty and unemployment (i.e. indigent support)	Poor access to recreational facilities (i.e. children's play park)	Crime and safety (i.e. police station)	Poor access to health facilities (i.e. increased consultation hours at the clinic)			
11.			Poor access to land (i.e. land tenure upgrading and the use of vacant sites)			Poor access to social facilities (i.e. public gym)			
12.			Environmental management services (i.e. grass cutting, skip bins, and the cleaning od streams)		Poor access to educational facilities (i.e. crèche)	Poor access to social facilities (i.e. swimming pool)			
14.			Poor access to infrastructure for the disabled			Poor quality of roads (i.e. maintenance of roads)			
15.						Street lights and sidewalks			

ZONE 4 PRIORITY NEEDS						
	Ward 6	**WARD 12**	**WARD 15**	**WARD 16**	**WARD 18**	**WARD 33**
1.	Poor road infrastructure	Poor access to adequate water and sanitation	Poor access to housing	Job creation (poverty and unemployment)	Job creation (poverty and unemployment)	Poor road infrastructure
2.	Poor access to housing	Poor access to housing	Poor access to adequate water and sanitation	Poor access to housing	Poor access to Community Safety and Security Services (i.e. mobile police station)	Poor access to energy for cooking and lighting
3.	Poor access to adequate water and sanitation	Poor access to energy for cooking and lighting	Infrastructure Backlog	Poor access to adequate water and sanitation	Poor access to housing	High mast light
4.	Poor access to energy for cooking and lighting	High mast lights	Poor access to health facilities (i.e. clinic)	Poor access to community safety and security services (i.e. mobile police station)	Poor access to adequate water and sanitation	Poor access to adequate water and sanitation
5.	High mast lights	Poor access to refuse removal services (skip bin)	Poor access to community safety and security services (i.e. mobile police station)	Poor road infrastructure	Poor access to public facilities (i.e. library)	Poor access to housing (i.e. RDP)
6.	Poor access to health facilities (i.e. clinic)	Poor access to health facilities (i.e. clinic)	Poor access to social facilities (i.e. library)	Poor access to educational facilities (i.e. school)	Poor access to health facilities (i.e. hospice and old age home)	Poor access to adequate sanitation
7.	Poor access to educational facilities (i.e. school)	Poor access to Public facilities (i.e. community hall)	Poor access to educational facilities (i.e. school)	Alcohol and drug abuse (i.e. programmes towards the reduction of substance abuse)	Poor roads infrastructure	Poor access to community safety and security services (i.e. mobile police station)
8.	Poor access to public facilities (i.e. community hall and youth centre)	Poor access to sports and recreational facilities (i.e. recreational centre)	Poor access to sports and recreational facilities	Poor access to social facilities (i.e. library)	Poor access to Sports and recreational facilities (Sports Field)	Poor access to health care facilities (i.e. clinic)
9.	Poor access to social facilities (i.e. library)	Poor access to recreational facilities (i.e. children's play park)	Job creation (poverty and unemployment)	Poor access to health facilities (i.e. clinic)	Food security (i.e. community gardens)	Poor access to educational facilities (i.e. school)

10.	Job creation (poverty and unemployment)	Poor road infrastructure	Poor access to social facilities (i.e. pensioners pay-point)		Poor access to refuse removal services	Community safety (i.e. closure of farm ponds)
11.	Poor access to sports and recreational facilities		Lightning conductors			Poor access to public facilities (i.e. children's paly park)

In order to improve the participation of the general public, a detailed process plan for the annual review of the Community Based Plans for all the 34 wards is currently being developed. This will ensure the alignment of the CBP with the IDP hence the budget ensuring the development of projects that are reflective of the needs and aspirations of the communities. Through the process plan, the CBP's will be presented to the general public through constituency consultation meetings to allow communities at large to provide inputs, voice their opinions, and endorsement of the plans.



SECTION 4:
VISION, GOALS, OBJECTIVES AND STRATEGIES.

4. DEVELOPMENT STRATEGY.

The development strategy of the NLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes, within the national development plan, Vision 2030 and various government programs. NLM IDP also fits within the provincial development framework as set out in the PGDS. The NLM strategy covers the following:-

- Strategic fit (alignment with national and provincial development strategies).
- NLM long-term strategic direction and organizational culture.
- NLM short to medium term strategies and action plans.

In addition, the IDP also considers the emerging national and provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Newcastle Municipality will make a significant contribution towards the implementation and attainment of the strategic objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP

The strategic approach is meant to highlight the impact that the municipality seeks to create in the short to long term period. As indicated on Figure 29 above, in addition to outcome 9, the NLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPAs as the strategic areas for intervention. As such, the development strategy for the NLM is designed to address issues that are specific to the NLM while also contributing to the attainment of the national priorities.

4.1. LONG TERM VISION AND MISSION.

Newcastle Municipality's long-term development vision was formulated within the context of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make Newcastle a better place and improve the quality of life for those who work and/or live in NLM.

The vision is based on the following overarching principles:-

- Sustainability.
- Integrated development.
- Equitable access to basic services and public facilities.
- Efficient and effective delivery of services.

4.1.1.VISION 2035.

BY 2035, NEWCASTLE WILL BE A RESILIENT AND ECONOMICALLY VIBRANT CITY, PROMOTING SERVICE EXCELLENCE TO ITS CITIZENS.

4.1.2.MISSION STATEMENTS.

NEWCASTLE LOCAL MUNICIPALITY TOGETHER WITH ITS CITIZENRY, COMMITS TO REALIZE ITS VISION THROUGH INNOVATIVE SERVICE EXCELLENCE, ACCELERETATED SERVICE DELIVERY, SUSTAINABLE INFRASTRUCTURE DEVELOPMENT, PROMOTING SOCIO-ECONOMIC DEVELOPMENT AND SPATIAL INTEGRATION.

4.1.3.PRIORITY DEVELOPMENT ISSUES.

- Sound Financial Management/Viability (incl. Debt collection and management);
- Improved access to basic service delivery (i.e. water, sanitation, electricity, housing, waste removal);
- Local Economic Development (eradication of poverty and unemployment);
- Improved quality of roads and stormwater infrastructure (including sidewalks);
- Environmental sustainability (environmental conservation/management);
- Accelerated Municipal Transformation and Corporate Development;
- Improved access to public facilities (including educational facilities – provincial mandate);
- Improved community safety;
- Improved access to basic health services (NB: provincial mandate); and
- Improved access to land (including Land Reform).

4.1.4.DEVELOPMENT STRATEGY.

The development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short-to-medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a developmental path as follows:-

- To develop Newcastle as a service and industrial hub.
- To eradicate all forms of poverty and destitution/indigence.
- To be an example of service and governance excellence.

- To improve the quality of life.
- To achieve environmental sustainability.
- To promote gender equality and empowerment.

In the short-to-medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accelerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:-

- ***Spatial integration and environmental sustainability:*** Particular focus will be paid on the development and implemtation of systems and procedures for effective land use and environmental management.
- ***Local economic development:*** The municipality has a responsibility to create a climate conducive for the flourishment of both public and private sector investments. As such, the municipality is committed to working with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service to the business sector.
- **Service delivery and infrastructure development:** The NLM is the sphere of government that is closest to the communities. This bestows a huge responsibility to deliver services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.
- **Municipal transformation and organisational development:** The attainment of development goals as outlined above requires the municipality to establish effective systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.
- **Financial viability and management:** Funds will be a critical input in the process towards the attainment of the abovemenioned goals. Due to such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is the ability to account for the use and disbursements of public funds.
- **Good governance and public participation:** The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

4.1. IDP STRATEGIC OBJECTIVES.

4.1.1.Institutional Transformation and Corporate Development.

OUTCOME 9	BACK TO BASICS PILLAR	IDP PRIORITY	OBJECTIVE NO.	STRATEGIC OBJECTIVE	STRATEGY NO.	STRATEGIES	KPI NO	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2018/19	RESPONSIBLE DEPARTMENT
Output 6: Administrative and financial capability.	Building capable local government institutions.	Accelerated Municipal Transformation and Corporate Development	IT1	Maintain accountable, transparent, best practice HR information structures and systems	IT1.1	To embark on an investigation aimed at understanding efficiency and effectiveness of organizational systems and procedures by 2021	IT1.1.1	Number of work study investigations conducted on: 1. Business process evaluation and re-design (Corp Services 2.Business process evaluation and re-design (Community Services) 3. Perfomance improvements : waste management, water services and parks 4. Business processes evaluation and re-design (Technical Services)	Number of work study investigations conducted on: 1. Business process evaluation and re-design (Corp Services 2.Business process evaluation and re-design (Community Services) 3. Performance improvements : waste management, water services and parks 4. Business processes evaluation and re-design (Technical Services)	Corporate Services
Output 6: Administrative and financial capability.	Building capable local government institutions.	Accelerated Municipal Transformation and Corporate Development	IT2	To achieve equity in the workplace by promoting equal opportunities and fair treatment	IT2.1	To ensure compliance with Employment Equity Act at all levels	IT2.1,1	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan	32	Corporate Services

Output 6: Administrative and financial capability.	**Building capable local government institutions**	**Accelerated Municipal Transformation and Corporate Development**	**IT3**	**To enhance organisational performance by attracting and retaining the best talent by 2021**	**IT3.1**	**To implement the Workplace Skills Plan**	**IT3.1.1**	**Percentage of the municipality's budget actually spent on implementing its workplace skills plan**	**0,356%**	**Corporate Services**
Output 6: Administrative and financial capability.	Building capable local government institutions.	**Accelerated Municipal Transformation and Corporate Development**	**IT4**	**To enhance organisational performance by attracting and retaining the best talent by 2021**	**IT4.1**	**To develop and/or review HR policies , procedures and process flows**	**IT4.1.1**	**Number of HR policies developed / reviewed and approved 1. Induction policy(review) 2.Sexual harassment (Review) 3.S&T policy (Review) 4.Staff leave rules policy (Review) 5.Remunaration policy (Develop) 6. OHS policy (Review) 7. Retention policy (Develop)**	**Review / developed and approval of HR policies 1. Induction policy(review) 2.Sexual harassment (Review) 3.S&T policy (Review) 4.Staff leave rules policy (Review) 5.Remunaration policy (Develop) 6. OHS policy (Review) 7. Retention policy (Develop)**	**Corporate Services**
Output 6: Administrative and financial capability.	**Building capable local government institutions.**	**Accelerated Municipal Transformation and Corporate Development**	**IT5**	**Ensure attainment of labour stability**	**IT5.1**	**To promote employee relations (ER) and labour stability**	**IT5.1.1**	**Number of LLF meetings held as per organisational rights agreement**	**12**	**Corporate Services**
Output 6: Administrative and financial capability.	**Building capable local government institutions.**	**Accelerated Municipal Transformation and Corporate Development**	**IT6**	**To provide quality administrative services to support optimal organisational perfomance by 2021**	**IT6.1**	**To develop policies and realign systems and procedures that ensure good governance and an efficient and effective general administration**	**IT6.1.1**	**Development and approval of parking policy by June 2019**	**Development and approval of parking policy by June 2019**	**Corporate Services**

Output 6: Administrative and financial capability.	**Building capable local government institutions.**	**Accelerated Municipal Transformation and Corporate Development**	**IT7**	**Facilitate effective logistics management & related activities to support Council committees, Management Committee & other related meetings, and provide timely protocol**	**IT7.1**	**To provide quality administrative services, to support optimal organisational performance**	**IT7.1.1**	**%age compliance with Annual Meeting Plan as approved by Council**	**100%**	**Corporate Services**
Output 6: Administrative and financial capability.	**Building capable local government institutions.**	**Accelerated Municipal Transformation and Corporate Development**	**IT8**	**Effectively provide an inclusive, clean, safe, healthy and environmentally friendly workplace that stimulates innovation & productivity, strengthens communication & teamwork, and preserves the Council's assets**	**IT8.1**	**To promote zero fatalities and ensure a healthy and safe working environment**	**IT8.1.1**	**Number of safety workshop facilitated to promote a healthy and safe working environment**	**4**	**Corporate Services**
Output 6: Administrative and financial capability.	**Building capable local government institutions.**	**Accelerated Municipal Transformation and Corporate Development**	**IT8**	**Effectively provide an inclusive, clean, safe, healthy and environmentally friendly workplace that stimulates innovation & productivity, strengthens communication & teamwork, and preserves the Council's assets**	**IT8.1**	**To promote zero fatalities and ensure a healthy and safe working environment**	**IT8.1.1.2**	**Section 16.2 appointments finalised by April 2019**	**Section 16.2 appointments finalised by April 2019**	**Corporate Services**

Output 6: Administrative and financial capability.	**Building capable local government institutions.**	**Accelerated Municipal Transformation and Corporate Development**	**IT9**	**To render an Effective and efficient records management sytem.**	**IT9.1**	**Ensure sound records management through accessibility of electronic and paper based records by authorized users**	**IT9.1.1**	**Number of modules automated on Documentum system: 1. Requisitions module(under R30000) 2. Requisitions module (above R30000 but under R20000 0) 3. Requisitions module (above R200000 tender documents 4. Parking management module**	**4 modules automated on Documentum System 1. Requisitions module (under R30000) 2. Requisitions module (above R30000 but under R200000) 3. Requisitions module (above R200000 tender documents 4. Parking management module**	**Corporate Services**
Output 6: Administrative and financial capability.	Building capable local government institutions.	**Accelerated Municipal Transformation and Corporate Development**	**IT9**	**To render an Effective and efficient records management sytem.**	**IT9.2**	**Ensure that records generated electronically are approved within the system using digital signatures**	**IT9.2.1**	**Procurement and installation of digital signatures for identified end-Users**	**Digital signatures procured and installed**	**Corporate Services**
Output 6: Administrative and financial capability.	Building capable local government institutions.	**Accelerated Municipal Transformation and Corporate Development**	**IT10**	**Encourage an organisational culture that stimulates professional excellence and personal leadership**	**IT10.1**	**To foster a culture of peak performance and improvement across the organisation**	**IT10.1.1**	**Percentage of IPMS phase 1 (Task grade17-16) implemented**	**100%**	**Corporate Services**
Output 6: Administrative and financial capability.	Building capable local government institutions.	**Accelerated Municipal Transformation and Corporate Development**	**IT11**	**To enhance organisational performance by attracting and retaining the best talent by 2021**	**IT11.1**	**Develop and maintain an HR plan that will improve the municipality's ability to retain/attract the best talent**	**IT11.1.1**	**Develop and approval of HR Strategy aligned to organisational strategy by June 2019**	**Approved HR Strategy aligned to organisational strategy by June 2019**	**Corporate Services**

4.1.2.Governance and Public Participation.

OUTCOME 9	BACK TO BASICS PILLAR	IDP PRIORITY	OBJECTIVE NO.	STRATEGIC OBJECTIVE	STRAYEGY NO.	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2018/19	RESPONSIBLE DEPARTMENT
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Good Governance	Good Governance	GG1	To ensure good governance through openness, transparency and accountability in the organization.	GG1.1	To develop and implement an optimal communication strategy and service charter by 2021	GG1.1.1	Monthly Progress reports on execution of resolutions for Manco, Exco, Council and MPAC	11	Office of the Municipal Manager (Executive Support)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG1	To ensure good governance through openness, transparency and accountability in the organization.	GG1.2	To develop a system of delegation that will maximise administrative and operational efficiencies	GG1.2.1	Annual Review of Delegations Policy by 30 June 2019	Annual Review of Delegations Policy by 30 June 2019	Office of the Municipal Manager (Executive Support)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG1	To ensure good governance through openness, transparency and accountability in the organization.	GG1.3	To strengthen executive support .	GG1.3.1	Number of District IGR MM's forum meetings held and attended	4	Office of the Municipal Manager (Executive Support)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG2	To promote and enhance good governance in the organization.	GG2.1	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.	GG2.1.1	Annual review of Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by 30 June 2019	Annual review of Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by 30 June 2019	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG2	To promote and enhance good governance in the organization.	GG2.1	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.	GG2.1.2	Annual risk assessment report for 2019/20 as approved by Manco by 31 May 2019	Annual risk assessment report for 2019/20 as approved by Municipal Manager by 31 May 2019	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG2	To promote and enhance good governance in the organization.	GG2.1	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.	GG2.1.3	Quarterly risk Management reports on implementation of risk management action plan submitted to Audit Committee	4	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG2	To promote and enhance good governance in the organization.	GG2.2	To provide compliance monitoring support towards ensuring that compliance risks are mitigated effectively resulting in the positive audit outcomes	GG2.2.1	Quarterly reports on AG and Internal Audit Action Plan	4	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG2	To promote and enhance good governance in the organization.	GG2.2	To provide compliance monitoring support towards ensuring that compliance risks are mitigated effectively resulting in the positive audit outcomes	GG2.2.2	Bi-annual Compliance Monitoring report submitted to Audit Committee	2	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG3	To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes.	GG3.1	Providing recommendations and advice to management to improve internal controls, risk management and governance processes.	GG3.1.1	%age of Projects implemented as per Internal Audit Plan	100%	OFFICE OF THE MUNICIPAL MANAGER (INTERNAL AUDIT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG3	To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes.	GG3.1	Providing recommendations and advice to management to improve internal controls, risk management and governance processes.	GG3.1.2	Council Approval of audit committee charter by March 2019	Council Approval of audit committee charter by March 2019	OFFICE OF THE MUNICIPAL MANAGER (INTERNAL AUDIT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG4	To ensure good governance through openness, transparency and accountability in the organization.	GG4.1	To provide effective and efficient legal support services	GG4.1.1	%age of contracts drafted and vetted as requested by departments	100%	OFFICE OF THE MUNICIPAL MANAGER (LEGAL SERVICES)

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG4	To ensure good governance through openness, transparency and accountability in the organization.	GG4.1	To provide effective and efficient legal support services	GG4.1.2	Approved Contract Management Policy by June 2019	Approved Contract Management Policy by June 2019	OFFICE OF THE MUNICIPAL MANAGER (LEGAL SERVICES)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG4	To ensure good governance through openness, transparency and accountability in the organization.	GG4.1	To provide effective and efficient legal support services	GG4.1.3	%age of objections addressed within 60days as per SCM Regulations	100% of objections resolved within 60days	OFFICE OF THE MUNICIPAL MANAGER (LEGAL SERVICES)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG4	To ensure good governance through openness, transparency and accountability in the organization.	GG4.1	To provide effective and efficient legal support services	GG4.1.4	%age of bylaws published as prioritised by Manco	100%	OFFICE OF THE MUNICIPAL MANAGER (LEGAL SERVICES)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Putting People First	GOOD GOVERNANCE	GG5	To keep the communities and stakeholders informed and involved in the affairs of the Municipality	GG5.1	To improve both internal and external communication	GG5.1.1	Approval of Public Participation Strategy by June 2019	Approved Public Participation Strategy by June 2019	DPHS : IDP
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Putting People First	GOOD GOVERNANCE	GG5	To keep the communities and stakeholders informed and involved in the affairs of the Municipality	GG5.2	To ensure the effective functionality of ward committees	GG5.2.1	Ward Committee Operational Plan policy review by June 2019	Review of Ward Committee Operational Plan by June 2019	DPHS : IDP
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Putting People First	GOOD GOVERNANCE	GG6	To keep internal & external communities and stakeholders informed, empowered and involved by 2021	GG6.1	To develop and implement an optimal communication strategy	GG6.1.1	Approved Communication Strategy by March 2019	Approved Communication Strategy by March 2019	Office of the Municipal Manager (Executive Support)

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Putting People First	GOOD GOVERNANCE	GG7	To ensure good governance through openness, transparency and accountability in the organization.	GG7.1	To provide an enhanced internal and external communication service.	GG7.1.1	Number of Internal Communicators Forum meetings held	12	Office of the Municipal Manager (Executive Support)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG8	To ensure that the municipality has and maintains an accountable and standardised ICT systems	GG8.1	To facilitate the annual implementation of good ICT governance processes	GG8.1.1	Number of ICT Steering Committee meetings	4	Corporate Services (IT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG9	To promote ICT governance by ensuring alignment of ICT and organizational objectives	GG9.1	Review of ICT Strategy, ICT policies and procedures	GG9.1.1	Number of reviewed ICT Strategy / ICT policies / ICT procedures	1	Corporate Services (IT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG9	To promote ICT governance by ensuring alignment of ICT and organizational objectives	GG9.2	To ensure that the ICT activities and investments are in alignment with organizational objectives and strategies	GG9.2.1	Approval of ICT Strategic Plan June by 2018	N/A	Corporate Services (IT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG10	To obtain a clean audit on the Audit of Performance Objectives by 2020	GG10.1	To facilitate the development, review and implementation of the PMS annually	GG10.1.1	Number of performance reports submitted to Audit Committee quarterly	4	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG11	To obtain a clean audit on the Audit of Performance Objectives by 2020	GG11.1	To implement outreach and awareness workshops on PMS to departments and other role-players	GG11.1.1	Number of PMS workshops held quarterly	4	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG12	To promote good governance through the Annual performance reporting process	GG12.1	To ensure compliance with Annual performance Reporting process	GG12.1.1	Annual Performance Report submitted to the Auditor-General by 31 August 2018	Annual Performance Report submitted to the Auditor-General by 31 August 2018	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG13	To promote good governance through the Annual performance reporting process	GG13.1	To ensure compliance with Annual report process	GG13.1.1	Tabling of Annual Report to Council by 31 January 2019 and Approval of Annual Report by 31 March 2019	Tabling of Annual Report to Council by 31 January 2019 and Approval of Annual Report by 31 March 2019	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG14	To ensure the development and the maintenance of credible IDP	GG14.1	To develop IDP in line with 4th generation guide packs / guidelines	GG14.1.1	Review and Adoption of IDP by 31 May 2019	Review and Adoption of IDP by 31 May 2019	DPHS : IDP
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	GOOD GOVERNANCE	GOOD GOVERNANCE	GG14	To ensure the development and the maintenance of credible IDP	GG14.2	To ensure that a Public Participation process is followed for the IDP review	GG14.2.1	Number of IDP RF meetings held	2	DPHS : IDP

4.1.3.Financial Viability and Management.

OUTCOME 9	BACK TO BASICS PILLAR	IDP PRIORITY	OBJECTIVE NO.	GOAL/OBJECTIVES	STRATEGY NO.	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2018/19	RESPONSIBLE DEPARTMENT
Output 6: Administrative and financial capability	Sound Financial Management; and	Sound Financial Management/ Viability	FV1	To improve access to basic services	FV1.1	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent are eligible for the support and to eradicate a culture of non payment	FV1.1.1	The percentage of households earning less than R1100 per month with access to free basic services; (R3500 as per the approved Newcastle Indigent Policy)	20% (18000/90347*100)	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV2	To ensure implementation of capital programme	FV2.1	To ensure compliance with budget planning and implementation	FV2.1.1	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's Integrated	90%	All departments

								Devlopment Plan (IDP)		
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV3	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	FV3.1	To improve credit control processes by sending out sms, calling of defaulting customers excluding indigent customers	FV3.1.1	%age of defaulting customers(excluding indigents) to be contacted atleast monthly via sms, calling	75% of defaulting customers(excluding indigents) to be contacted atleast monthly via sms, calling	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV4	To ensure effective and efficient billing and revenue collection processes.	FV4.1	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	FV4.1.1	Annual review of the indigent register by 30 June 2019	Annual review of the indigent register by 30 June 2019	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV5	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	FV5.1	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	FV5.1.1	Increase of payment factor by 2 percentage basis point by 30 June 2019	81%	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV5	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	FV5.2	Eradication of the culture of non-payment;	FV5.2.1	100% of queries addressed within 90 days	N/A	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV6	Achieve Value for money	FV6.1	To have an effective Supply Chain Management system in place;	FV6.1.1	Approved 2019/20 annual procurement plan by June 2019 by the Finance Portfolio Steering Committee	Approved 2019/20 annual procurement plan by June 2019 by the Finance Portfolio Steering Committee	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV6	Achieve Value for money	FV6.2	Have an effective Supply Chain Management system in place;	FV6.2.1	%age Implementation of the procurement plan per quarter	100% Implementation of the procurement plan.	Budget & Treasury Office

Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV7	To ensure sound financial and fiscal management and good governance	FV7.1	Review the financial policies to ensure sound financial and fiscal management and good governance	FV7.1.1	Number of Financial policies reviewed by May 2019: 1. Provision for double debt and debtors write-off policy. 2. Tariff policy 3. Rates policy 4. Indigent policy 5. Customer care, Credit control, and Debt collection policy 6. Budget policy 7. Virement policy 8. Petty cash policy 9. Short Term insurance 10. Fund & Reserve policy 11. Cash management and Investment policy 12. Borrowing policy 13. Loss control policy 14 Asset management policy 15 SCM Policy	15 policies submitted to council for final approval by 31 May 2019 1. Provision for double debt and debtors write-off policy. 2. Tariff policy 3. Rates policy 4. Indigent policy 5. Customer care, Credit control, and Debt collection policy 6. Budget policy 7. Virement policy 8. Petty cash policy 9. Short Term insurance 10. Fund & Reserve policy 11. Cash management and Investment policy 12. Borrowing policy 13. Loss control policy 14 Asset management policy 15 SCM Policy	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV8	Revenue enhancement	FV8.1	Facilitate the annual Review of the Revenue Enhancement Strategy	FV.8.1	Annual Review of the Revenue Enhancement Strategy by June 2019	Annual review of the Revenue Enhancement Strategy by June 2019	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.1	To ensure efficient and effective implementation of financial internal controls	FV9.1.1	%age compliance with MFMA reporting obligations as per MFMA calendar	100% compliance with MFMA reporting obligations as per MFMA calendar	Budget & Treasury Office

Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.1	To ensure efficient and effective implementation of financial internal controls	FV9.1.2	Approval of Annual Budget for 2019'20 by the 31 May 2019	Approval of Annual Budget for 2019'20 by the 31 May 2019	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.1	To ensure efficient and effective implementation of financial internal controls	FV9.1.3	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2019	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.1	To ensure efficient and effective implementation of financial internal controls	FV9.1.4	Financial viability in terms of debt coverage	5%	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.1	To ensure efficient and effective implementation of financial internal controls	FV9.1.5	Financial viability in terms of cost coverage	1 Month	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.1	To ensure efficient and effective implementation of financial internal controls	FV9.1.6	Financial viability in terms of outstanding service debtors	88%	Budget & Treasury Office
Output 6: Administrative and financial capability.	Sound Financial Management; and	Sound Financial Management/ Viability	FV9	To ensure sound financial and fiscal management and good governance	FV9.2	To ensure compliance with the roll out of MSCOA	FV9.2.1	% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	100% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	Budget & Treasury Office

4.1.4.Basic Service Delivery (Infrastructure Development).

OUTCOME 9	IDP PRIORITY	OBJECTIVE NO.	STRATEGIC OBJECTIVE	STRATEGY NO.	STRATEGIES	KPI NO.	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2018/19	RESPONSIBLE DEPARTMENT
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS1	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	BS1.1	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy – High voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management and catalytic projects)	BS1.1.1	Full installation of Infrastructure Management Query System (IMQS) with all functional attributes by June 2019	Full installation of Infrastructure Management Query System (IMQS) with all functional attributes by June 2019	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS2	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	BS2.1	Increase number of households with access to basic potable (drinkable) water.	BS2.1.1	% Of households with access to a basic level of water	93,40%	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS2	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	BS2.2	Increase number of households with access to basic sanitation.	BS2.2.1	% Of households with access to a basic level of sanitation	81,05%	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS2	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	BS2.3	Upgrade wastewater collection and treatment facilities	BS2.3.1	Number of Water Treatment plants upgraded	N/A	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS3	To reduce water loss	BS3.1	To reduce the percentage of water losses. (Non- revenue water loss)	BS3.1.1	Reduction of water loss by 2% per annum for Non-Revenue Water loss	40%	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS4	To create a safe and healthy environment	BS4.1	To implement the Waste Management Strategy in line with relevant legislation	BS4.1.1	Annual review and approval of the Integrated Waste Management Plan by June 2019	Annual review and approval of the Integrated Waste Management Plan by June 2019	Community Services

Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS4	To create a safe and healthy environment	BS4.2	To provide a refuse removal service to the Newcastle Community	BS4.2.1	%age of households with access to basic level solid waste removal	65,90%	Community Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS4	To create a safe and healthy environment	BS4.3	To establish a new landfill site including management of the existing facility	BS4.3.1	Annual audit compliance report from EDTEA on existing site by June 2019	Annual audit compliance report from EDTEA on existing site by June 2019	Community Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS4	To create a safe and healthy environment	BS4.3	To establish a new landfill site including management of the existing facility	BS4.3.2	Planning and Identification of Land Fill Site by 30 June 2019	Identification of new land fill site	DPHS : TP
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS5	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	BS5.1	Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways.	BS5.1.1	Km of Roads resealed/rehabilitated	25,7 km	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS5	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	BS5.1	Refurbishment and maintenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways.	BS5.1.2	km's of roads gravelled	8,8km	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS6	Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture	BS6.1	Implementation of the Capital Program (MIG+INTERNAL FUNDING)	BS6.1.1	Km's of roads upgraded from gravel to blacktop including street furniture	8,07km	Technical Services
Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS7	To ensure access to electricity within the Newcastle Licence area	BS7.1	To develop and implement the Electricity Services Delivery Plan (ESDP)	BS7.1.1	Development and approval of Electricity Service Delivery Plan (ESDP) by June 2019	Development and approval of Electricity Service Delivery Plan (ESDP) by June 2019	Technical Services (Electrical and Mechanical Services)

Output 2: Improving access to basic services	Basic Service Delivery and Infrastructure	BS7	To ensure access to electricity within the Newcastle Licence area	BS7.2	To provide electricity within the Newcastle Municipality Licensed Areas.	BS7.2.1	%age of households with access to a basic level of electricity	95%	Technical Services (Electrical and Mechanical Services)
Output 1: Implement a differentiated approach to municipal financing, planning and support	Basic Service Delivery and Infrastructure	BS8	To ensure an effective fleet management system	BS8.1	To develop and/or review fleet management policy and fleet replacement plan	BS8.1.1	Approved Fleet Management Policy by March 2019	Approved Fleet Management Policy by March 2019	Budget and Treasury Office
Output 1: Implement a differentiated approach to municipal financing, planning and support	Basic Service Delivery and Infrastructure	BS8	To ensure an effective fleet management system	BS8.1	To develop and/or review fleet management policy and fleet replacement plan	BS8.1.2	Annual Review of Fleet Replacement Plan by March 2019	Annual Review of Fleet Replacement Plan by March 2019	Budget and Treasury Office
Output 4: Actions supportive of the human settlement outcome	Basic Service Delivery and Infrastructure	BS9	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	BS9.1	To develop a Human Settlement Plan in line with the 4th Generation IDP	BS9.1.1	Review Human Settlements Plan in line with the 4th Generation IDP	N/A	DPHS: Housing
	Basic Service Delivery and Infrastructure	BS9	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	BS9.2	To reduce housing backlog to meet the provincial and national targets	BS9.2.1	Number of Top-Structures built in a year	400	DPHS: Housing
Output 4: Actions supportive of the human settlement outcome	Basic Service Delivery and Infrastructure	BS10	To facilitate secure tenure and clear property rights	BS10.1	Fast-track Title Deed Restoration Project	BS10.1.1	Number of houses transferred through Enhanced Extended Discount Benefit Scheme (EEDBS)	200	DPHS: Housing
Output 4: Actions supportive of the human settlement outcome	Basic Service Delivery and Infrastructure	BS10	To facilitate secure tenure and clear property rights	BS10.2	Disposal of municipal land in line with Land Disposal Policy	BS10.2.1	Number of Residential Sites released for disposal	20	DPHS: Housing

Output 4: Actions supportive of the human settlement outcome	Basic Service Delivery and Infrastructure	BS10	To facilitate secure tenure and clear property rights	BS10.3	To develop and maintain a reliable National Housing Needs Register (NHNR)	BS10.3.1	%of approved beneficiaries captured on National Housing Needs Register	100%	DPHS
Output 4: Actions supportive of the human settlement outcome	Basic Service Delivery and Infrastructure	BS10	To facilitate secure tenure and clear property rights	BS10.4	Provision of affordable housing opportunities for middle income to address gap market (i.e. Social Housing/ Gap / Flisp)	BS10.4.1	Progress on the planning and implementation of at least one Gap/Flips Housing Project	Disposal of land to developers for development of at least one Gap / FLIPS Housing Project by June 2019	DPHS
Output 4: Actions supportive of the human settlement outcome	Basic Service Delivery and Infrastructure	BS10	To facilitate secure tenure and clear property rights	BS10.4	Provision of affordable housing opportunities for middle income to address gap market (i.e. Social Housing/ Gap / Flisp)	BS10.4.2	Initiate development of at least one Social Housing / CRU Housing Project	N/A	DPHS

4.1.5.Local Economic Development.

OUTCOME 9	BACK TO BASICS PILLAR	IDP PRIORITY	OBJECTIVE NO.	STRATEGIC OBJECTIVE	STRATEGY NO.	STRATEGY	KPI NO.	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2018/19	RESPONSIBLE DEPARTMENT
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.1	To develop LED Strategy in line with the 4th generation IDP	ED1.1.1	Development and approval of the new Tourism Strategy in line with 4th Generation IDP by 30 June 2019	Development and Approval of the New Tourism Strategy in line with 4th Generation IDP by 30 June 2019	DPHS : LED

Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.2	To Promote Business Retention and Expansion (BRE) to support local businesses	ED1.2.1	Quarterly report to PFSC on implementation of BRE Strategy to support local business	Quarterly report to PFSC on implementation of BRE Strategy to support local business	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.3	Facilitation and Promotion of SMME development and Entrepreneurship	ED1.3.1	APPROVED SMME STRATEGY by Council by end of June 2020	N/A	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.3	Facilitation and Promotion of SMME development and Entrepreneurship	ED1.3.2	Establishment of the Incubation Programme	N/A	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.3	Facilitation and Promotion of SMME development and Entrepreneurship	ED1.3.3	Number of SMMEs linked to Markets by 30 June 2019	10	DPHS : LED

Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.3	Facilitation and Promotion of SMME development and Entrepreneurship	ED1.3.4	Number of SMME's Trained	50	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.4	Promotion of the value-chain opportunities for SMME's	ED1.4.1	Market the downstream opportunities to potential investors	N/A	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.5	Establishment of Newcastle as a Regional Airport Hub for Northern KZN	ED1.5.1	Launch of SCHEDULED FLIGHTS between Newcastle and other major airports by 31 March 2018	Launch of SCHEDULED FLIGHTS between Newcastle and other major airports by 31 March 2018	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.6	Establishment of Techno Hub Innovation Centre Building in Newcastle	ED1.6.1	Occupation of phase1 of the Techno Hub	Occupation of phase1 of the Techn0-Hub	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED1	To facilitate economic development that will result in sustainable job creation and growth of the Town	ED1.7	To promote local and foreign investment to Newcastle	ED1.7.1	Identification of economic growth engines (catalytic projects) that stimulate the local economy by December 2017	N/A	DPHS : LED

Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED2	To ensure radicalisation of the local economy	ED2.1	Support livelihood initiatives and home based enterprises(sector specific infrastructure for hairdressers, motor mechanics, car wash, music production and film making, etc.) – enhance what is already there.	ED2.1.1	Support livelihood initiatives and home based enterprises(i.e. sector specific infrastructure for hairdressers, motor mechanics, car wash, music production and film making, etc.) – enhance what is already there.	N/A	DPHS : LED
Output 1: Implement a differentiated approach to municipal financing, planning and support	Putting people first	Local Economic Development (eradication of poverty and unemployment)	ED2	To ensure radicalisation of the local economy	ED2.2	Promotion of local procurement of goods and services to stimulate local economy and job creation	ED2.2.1	Approval of SMME Procurement Policy by September 2018 and implemenation of Policy	Approval of SMME Procurement Policy by September 2018 and implemenation of Policy	DPHS : LED
OUTPUT 1 :IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST	Local Economic Development (eradication of poverty and unemployment)	ED3	Local Economic Development (eradication of poverty and unemployment)		To promote economic development that will result in sustainable job creation	ED3.1.1	Number of jobs created through municipality's local economic development initiatives including capital projects	1968	DPHS : LED

4.1.6.Cross-cutting Issues.

OUTCOME 9	BACK TO BASICS PILLAR	IDP PRIORITY	OBJECTIVE NO.	STRATEGIC OBJECTIVE	STRATEGY NO.	STRATEGY	KPI NO.	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2018/19	RESPONSIBLE DEPARTMENT
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC1	To facilitate economic development that will result in sustainable job creation and growth of the Town	CC1.1	To facilitate Revitalisation of Township Economy	CC1.1.1	Identification of Strategic Pillars and Action Plans of support to revitalise the township economy	n/a	DPHS : TP
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC1	To facilitate economic development that will result in sustainable job creation and growth of the Town	CC1.2	To facilitate economic development that will result investment in the town	CC1.2.1	Number of pieces of land to be regarded as 'pockets of excellence'	n/a	DPHS
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC2	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.	CC2.1	Review of the Land Use Scheme in line with SPLUMA	CC2.1.1	Completed land use survey by 30 June 2019	Completed land use survey by 30 June 2019	Manager LUM
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC2	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.	CC2.2	To undertake efficient and effective building controls.	CC2.2.1	Completed feasibility and approval of bylaws in relation to green buildings development by 30 June 2019	Completed feasibility and approval of bylaws in relation to green buildings development by 30 June 2019	Director : TP

Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC3	To ensure an effective and integrated Geographic Information Management System.	CC3.1	GIS System integration with other municipal systems.	CC3.1.1	Number of Analysis reviews and mapping of indigent properties within the formal areas	48 analysis maps for indigents and 4 report	DPHS
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC4	To promote spatial restructuring and integration	CC4.1	Development of municipal SDF in line with the 4th Generation of IDP	CC4.1.1	Approved Spatial Development Framework by 31 May 2018	Approved Spatial Development Framework by 31 May 2019	DPHS
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC4	To promote spatial restructuring and integration	CC4.2	To produce plans, policies and strategies to guide and manage development and investment.	CC4.2.1	Approval of one Local Area Plan / Precinct Plan by 30 June 2019	Approval/Review of one Local Area Plan / Precinct Plan by 30 June 2019	DPHS
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC3	To promote sustainable development and sound environmental planning	CC3.1	To ensure compliance with environmental legislation and regulations.	CC3.1.1	Gazetting of the Environmental Management Framework (EMF) by 30 June 2018	N/A	DPHS
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to land (including Land Reform)	CC3	To promote sustainable development and sound environmental planning	CC3.2	Review of the municipal open space system	CC3.2.1	Review and approval of the municipal Open Space System by 2020	N/A	DPHS
Output 1: Implement a differentiated approach to municipal financing,	Putting people first	• Improved access to land (including Land Reform)	CC3	To promote sustainable development and sound environmental planning	CC3.3	Identification of suitable land for cemeteries and relevant Geotech studies	CC3.3.1	Establishment of a cemetery by 30 June 2020	Lodgement of the EIA document with Environ Affairs by 30 June 2019	DPHS

planning and support.										
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC4	To ensure the provision of traffic management services	CC4.1	Intensify Law Enforcement activities	CC4.1.1	Number of roadblocks conducted	24	Community Services
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC5	To improve safety and security	CC5.1	To provide and maintain an efficient and effective disaster management service to Newcastle.	CC5.1.1	Annual Review and update risk assessment of major hazard installation within Newcastle jurisdiction by June 2019	N/A	Community Services
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC6	To ensure provision of fire and disaster management services	CC6.1	To provide and maintain an efficient and effective disaster management service to Newcastle.	CC6.1.1	Annual Review of Policy for Disaster Risk Management in Newcastle by end of June 2019	Annual Review of Policy for Disaster Risk Management in Newcastle by end of June 2019	Community Services
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to public facilities (including educational facilities – provincial mandate).	CC7	To ensure efficient use and management of community facilities.	CC7.1	Establishment and provision of community facilities	CC7.1.1	Number of new libraries built	1	Community Services
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	• Improved access to public facilities (including educational facilities – provincial mandate).	CC7	To ensure efficient use and management of community facilities.	CC7.1	Establishment and provision of community facilities	CC7.1.2	Number of Libraries upgraded	N/A	Community Services

Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC8	To facilitate the responsive role of government Civil society and private sector.	CC8.1	To mainstream programmes with the National and Provincial government; Civil society and private sector	CC8.1.1	% Percentage of OSS issues received and referred	100%	Office of the Municipal Manager (Special Programmes)
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC9	To facilitate the responsive role of the municipality in OSS.	CC9.1	To mainstream OSS through Internal OSS and Special Programmes Steering Committee	CC9.1.1	Number of Special Programme and OSS meetings	2	Office of the Municipal Manager (Special Programmes)
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC10	To respond to needs of vulnerable groups within Newcastle jurisdictional area.	CC10.1	Empowerment of target groups (Senior citizens, Disability, People living with HIV/AIDS, Women Men)	CC10.1.1	Number of functional Special Programmes FORA	8	Office of the Municipal Manager (Special Programmes)
Output 1: Implement a differentiated approach to municipal financing, planning and support.	Putting people first	Improved community safety	CC11	To respond to the needs of vulnerable groups	CC11.1	To host human rights activities to address issues affecting the vulnerable groups	CC11.1.1	Number of special programs events implemented	20	Office of the Municipal Manager (Special Programmes)



SECTION 5:
FINANCIAL PLAN.

5. FINANCIAL PLAN.

5.1. THREE YEAR INVESTMENT PROGRAMME.

5.1.1.Capital Investment Plan.

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting through the IDP.

The Newcastle Municipality developed a capital investment framework as part of this SDF, which identify where funds will be allocated through the spatial priorities and corresponding implementation strategies identified within the Western Service Delivery Region (WSDR), Eastern Service Delivery Region (ESDR) and Rural Service Delivery Region (RSDR). This Capital Investment Framework guides the Newcastle Municipality's capital expenditure in order to achieve citizen-centered public service and to shape the desired form of the municipality. It intends to bridge the gap between the spatial priorities, strategies and the implementation plan and sets the background and basis on which other sector plans should focus with their priorities.

The process of developing a Capital Investment Framework includes the collection of information from other municipal departments and verifying it where necessary. **Collected information from other departments will give an indication of the current development profile of the different departments through the Service Delivery and Budget Implementation Plan (SDBIP).** This is followed by a spatial illustration to also inform spatial interventions and investments for example bulk infrastructure and corridor development.

The Capital Investment Framework explores areas that present potential for sustainable economic and corridor development, therefore attracting private sector investment and creating long term employment for the public. In conclusion, the Capital Investment Framework for this SDF assists the Newcastle Municipality to address spatial distortions and inequalities of past policies in the form of densification, compaction and nodal development.

The major key capital projects with a spatial dimension/implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

5.1.2. Capital Projects (2018/19).

DEPARTMENT	PROJECT DESCRIPTION	WARD NO.	2018/2019 BUDGET	2019/2020 \ BUDGET	2020/2021 BUDGET
CAPITAL BUDGET PER PROJECT					
BUDGET & TREASURY OFFICE					
BUDGET & TREASURY OFFICE	FURNITURE & EQUIPMENT		1,000,000		
			1,000,000		
COMMUNITY SERVICES					
COMMUNITY SERVICES	FURNITURE AND EQUIPMENT: LIBRARIES	4,11,24	50,000		
COMMUNITY SERVICES	GENERATORS: LIBARIES	11.24	600,000		
COMMUNITY SERVICES	AIRCONDITIONING UNITS AND HUMIDIFIER: ART GALLERY	4	190,000		
COMMUNITY SERVICES	FENCING	4	150,000		
COMMUNITY SERVICES	SKIPS x 10	ALL WARDS	150,000		
COMMUNITY SERVICES	SKIP TRUCK	ALL WARDS	1,500,000		
			2,640,000	-	-
TECHNICAL SERVICES					
TECHNICAL SERVICES	CHARLESTOWN LIBRARY	1	18,703,500		
TECHNICAL SERVICES	MF55	19	8,522,585		
TECHNICAL SERVICES	MD35	24	6,916,168		
TECHNICAL SERVICES	MD30	26	3,298,605		
TECHNICAL SERVICES	ME11 (A)	28	1,854,816		

TECHNICAL SERVICES	ME11 (B)	28	5,559,406		
TECHNICAL SERVICES	OE41	9	3,038,128		
TECHNICAL SERVICES	OA85 (A)	8	4,887,572		
TECHNICAL SERVICES	OA85 (B)	8	7,874,500		
TECHNICAL SERVICES	OC20	10	5,544,201		
TECHNICAL SERVICES	OA103	30	5,786,019		
TECHNICAL SERVICES	NEWCASTLE EAST ROADS PLANNING & DESIGN	ALL WARDS IN NEWCASTLEEAST	3,950,000	42,500,000	
TECHNICAL SERVICES	PIPE REPLACEMENT AND UPGRADE PROJECT	2,3,4,5	8,500,000	15,000,000	
TECHNICAL SERVICES	MADADENI WWTP	ALL MAD WARDS	15,000,000	25,000,000	
TECHNICAL SERVICES	BLAAUWBOSCH BULK WATER PROJECT	16,18,19,21	9,000,000	16,068,000	
TECHNICAL SERVICES	NGAGANE BULK WATER SUPPLY PROJECT	ALL WARDS	4,000,000	17,000,000	
TECHNICAL SERVICES	UPGRADE OF NGAGANE WWTW PHASE1	ALL WARDS	9,000,000	-	
TECHNICAL SERVICES	NEWCASTLE NON-REVENUE WATER REDUCTION	8,9,10,11,12,13,17.18,32	10,000,000	-	
TECHNICAL SERVICES	NEWCASTLE EAST WATER SUPPLY EXTENSION	ALL WARD IN NN EAST	30,000,000	60,000,000	
TECHNICAL SERVICES	RESEALING OF ROADS - NEWCASTLE WEST	2,3,4,5,25,34	13,000,000	16,000,000	18,000,000
TECHNICAL SERVICES	RESEALING OF ROADS - MADADENI	19,22,23,24	6,000,000	8,000,000	10,000,000
TECHNICAL SERVICES	RESEALING OF ROADS - OSIZWENI	8,9,10,11,12,17,18,30	6,000,000	8,000,000	10,000,000
TECHNICAL SERVICES	RESEALING OF ROADS - KILBARCHAN	21	2,000,000	4,000,000	6,000,000
TECHNICAL SERVICES	RESEALING OF ROADS - CHARLESTOWN	1	1,000,000	4,000,000	6,000,000
TECHNICAL SERVICES	LAND DEVELOMENT - WATER & ELECTRICITY	34 - MEDICAL PRESCINT	6,000,000	-	-
TECHNICAL SERVICES	LAND DEVELOMENT - ENGINEERING	34 - REVERSIDE INDUSTRIAL	4,500,000	-	-

TECHNICAL SERVICES	STORMWATER MANAGEMENT (NN,MAD and OSIZ)	ALL WARDS	2,000,000	4,000,000	6,000,000
			201,935,500	**219,568,000**	**56,000,000**
	TOTAL CAPITAL BUDGET		**205,575,500**	**219,568,000**	**56,000,000**

5.1.3.Capital Projects (2018/19): Departments.

DEPARTMENT	2018/2019 BUDGET	2019/2020 BUDGET	2020/2021 BUDGET
BUDGET & TREASURY OFFICE Total	1,000,000	-	-
COMMUNITY SERVICES Total	2,640,000	-	-
TECHNICAL SERVICES Total	201,935,500	219,568,000	56,000,000
Grand Total	205,575,500	219,568,000	56,000,000

5.1.4.Capital Budget (2018/19): Source of Funding.

SOURCE OF FUNDING	2018/2019 DRAFT BUDGET	2019/2020 DRAFT BUDGET	2020/2021 DRAFT BUDGET
GOVERNMENT GRANT - NATIONAL	142,732,000	175,568,000	-
GOVERNMENT GRANT - PROVINCE	19,693,500	-	-
INTERNAL FUNDING	43,150,000	44,000,000	56,000,000

Grand Total	205,575,500	219,568,000	56,000,000

5.1.5.Capital Budget (2018/19): Asset Classification.

ASSET CLASS	2018/2019 DRAFT BUDGET	2019/2020 DRAFT BUDGET	2020/2021 DRAFT BUDGET
COMMUNITY & SOCIAL SERVICES - LIBRARIES & ARCHIVES	19,493,500	-	-
COMMUNITY ASSET	150,000	-	-
FURNITURE & EQUIPMENT	1,050,000	-	-
PLANT & EQUIPMENT	1,650,000	-	-
ROADS	97,732,000	86,500,000	56,000,000
WATER DISTRIBUTION	85,500,000	133,068,000	-
Grand Total	205,575,500	219,568,000	56,000,000

5.1.6.Operational Budget (2018/19).

ITEM LISTING	2015/2016 BUDGET	2015/2016 ACTUALS	2016/2017 BUDGET	2016/2017 ACTUALS	ORIGINAL BUDGET	VIRMENTS	FULL YEAR TOTAL BUDGET	YEAR TO DATE ACTUAL AS AT 13 FEBRUARY 2018	MOVEMENTS	ADJUSTMENTS	2017/18 ADJUSTED BUDGET	CASH FLOW ADJ BUDGET	2018/19 DRAFT BUDGET	% of Total Budget	INCREASE / DECREASE	% Increase/Decrease	2019/20 DRAFT BUDGET	2020/21 DRAFT BUDGET	CASHFLOW DRAFT BUDGET 2018/19	Cash % Factor	VAT OUTPUT / INPUT

FINES	##########	(5,205,647)	(5,203,136)	(3,605,936)	(5,203,136)	-	(5,203,136)	(3,250,525)	(369,193)	(369,193)	(5,572,329)	(2,228,931)	(8,710,041)	0.5%	(3,137,713)	56.3%	(6,466,687)	(6,822,355)	(5,032,305)	58%	-
INTEREST: EXTERNAL INVESTMENTS	##########	(12,517,428)	(4,003,711)	(4,505,489)	(4,603,828)	-	(4,603,828)	(2,564,125)	208,186	208,186	(4,395,642)	(4,395,642)	(4,040,870)	0.2%	354,773	-8.1%	(5,101,143)	(5,381,706)	(4,040,870)	100%	-606,130.45
INTEREST: OUTSTANDING DEBTORS	##########	(7,155,898)	(11,750,477)	(10,329,850)	(12,573,010)	-	(12,573,010)	(7,260,221)	126,918	126,918	(12,446,092)	(4,978,437)	(13,217,750)	0.7%	(771,658)	6.2%	(13,944,726)	(14,711,686)	(5,287,100)	40%	0
LICENCES	-11,100.00	(9,833)	(12,210)	(11,934)	(12,210)	-	(12,210)	(6,845)	477	477	(11,733)	(11,733)	(12,907)	0.0%	(1,173)	10.0%	(13,617)	(14,366)	(12,907)	100%	-
OTHER REVENUE	##########	(12,691,617)	(16,104,396)	(12,665,578)	(17,716,698)	1	(17,716,697)	(7,411,796)	(13,927,801)	(12,955,800)	(30,672,498)	(30,672,498)	(45,028,710)	2.4%	(14,356,212)	46.8%	(25,518,728)	(26,922,258)	(45,028,710)	100%	##########
PROPERTY RATES	##########	##########	##########	##########	(283,210,266)	-	(283,210,266)	(172,988,834)	(3,893,616)	(3,893,616)	(287,103,882)	(209,585,834)	(310,713,682)	16.8%	(23,609,799)	8.2%	(326,022,435)	(343,953,669)	(233,985,371)	75%	-
RENTAL	##########	(7,909,126)	(7,341,972)	(7,275,739)	(8,074,599)	-	(8,074,599)	(4,582,822)	218,333	218,333	(7,856,266)	(7,856,266)	(8,641,892)	0.5%	(785,627)	10.0%	(9,117,196)	(9,618,642)	(8,641,892)	100%	##########
SERVICE CHARGES: WATER	##########	##########	##########	##########	(172,773,045)	-	(172,773,045)	(96,210,943)	1,925,744	1,925,744	(170,847,301)	(90,030,109)	(177,145,516)	9.6%	(6,298,215)	3.7%	(186,993,445)	(197,278,085)	(97,877,272)	55%	##########

SERVICE CHARGES: ELECTRICITY	##########	##########	##########	##########	(693,619,675)	-	(693,619,675)	(421,634,857)	(4,591,723)	(5,428,507)	(699,048,182)	(593,479,688)	(690,348,743)	37.2%	8,699,438	-1.2%	(723,267,272)	(763,046,972)	(663,069,967)	96%	##########
SERVICE CHARGES: REFUSE	##########	(77,509,441)	(83,421,009)	(82,453,709)	(89,260,479)	(1)	(89,260,480)	(52,172,488)	(178,071)	(178,072)	(89,438,551)	(62,606,986)	(94,794,630)	5.1%	(5,356,079)	6.0%	(100,008,334)	(105,508,793)	(55,587,000)	59%	##########
SERVICE CHARGES: SANITATION	##########	(95,236,588)	##########	##########	(110,074,094)	-	(110,074,094)	(64,484,499)	(470,762)	(470,762)	(110,544,856)	(56,377,876)	(117,115,977)	6.3%	(6,571,122)	5.9%	(123,352,597)	(130,136,990)	(43,036,034)	37%	##########
TRANSFERS RECOGNISED	##########	##########	##########	##########	(345,790,000)	-	(345,790,000)	(332,709,447)	(23,765,000)	(33,216,245)	(379,006,245)	(379,006,245)	(384,734,000)	20.7%	(5,727,755)	1.5%	(415,497,000)	(414,383,000)	(373,534,000)	97%	-
TOTAL REVENUE	##########	##########	##########	##########	(1,742,911,040)	-	(1,742,911,040)	(1,165,277,400)	(44,716,508)	(54,032,536)	(1,796,943,576)	(1,441,230,245)	(1,854,504,718)	100.0%	(57,561,142)	3.2%	(1,935,303,182)	(2,017,778,522)	(1,535,133,427)	83%	##########
BULK PURCHASES	##########	513,478,162	550,331,820	558,945,738	579,385,013	-	579,385,013	286,872,035	(3,000,000)	(3,000,000)	576,385,013	576,385,013	618,730,314	26.7%	42,345,301	7.3%	660,145,482	696,453,483	618,730,314	100%	91009547.14
CONTRACTED SERVICES	##########	79,537,838	46,674,170	50,678,158	22,202,732	(100,000)	22,102,732	21,190,281	18,919,109	18,819,109	41,021,841	41,021,841	35,645,338	1.5%	(5,376,503)	-13.1%	17,825,382	18,652,178	35,645,338	100%	##########

COUNCILLORS REMUNERATION	##########	18,453,107	20,654,796	18,874,909	23,219,286	-	23,219,286	10,941,188	(0)	(0)	23,219,286	23,219,286	24,158,882	1.0%	939,596	4.0%	25,487,620	26,889,439	24,158,882	100%	-
DEBT IMPAIRMENT	##########	335,056,175	65,374,580	30,786,341	101,807,371	-	101,807,371	90,221,802	52,858,576	52,858,576	154,665,947	-	163,945,904	7.1%	9,279,957	6.0%	173,289,274	182,820,184	-	0%	-
DEPRECIATION	##########	361,878,938	465,578,859	411,524,629	247,894,714	-	247,894,714	266,696,379	247,000,043	247,000,043	494,894,757	-	525,578,232	22.7%	30,683,475	6.2%	554,485,035	584,981,712	-	0%	-
EMPLOYEE RELATED COSTS	##########	466,314,760	466,696,685	480,984,657	514,737,492	-	514,737,492	308,403,363	2,566,685	1,733,437	516,470,929	516,470,929	537,170,661	23.2%	20,699,733	4.0%	476,215,795	502,407,664	537,170,661	100%	-
FINANCE CHARGES	##########	66,559,568	50,694,187	66,868,314	47,215,450	64,210	47,219,660	28,189,392	100,000	132,320	47,347,770	47,347,770	43,979,395	1.9%	(3,368,375)	-7.1%	41,570,966	39,429,244	43,979,395	100%	-
MATERIAL	##########	1,845,575	2,455,718	2,468,867	3,912,715	(134,868)	3,777,847	1,870,415	(547,500)	(682,368)	3,230,347	3,230,347	3,762,661	0.2%	532,314	16.5%	3,967,162	4,185,451	3,762,661	100%	451,519.32
OTHER EXPENDITURE	##########	148,106,709	137,983,638	149,374,820	146,696,653	(10,873,183)	147,945,943	98,476,923	26,171,479	27,384,868	174,081,521	156,889,886	213,413,902	9.2%	39,332,382	22.6%	167,097,605	160,204,070	193,524,184	91%	##########
REPAIRS AND MAINTENANCE	##########	102,981,259	60,769,503	88,230,433	45,010,085	(418,632)	44,591,453	29,618,847	24,548,743	33,581,356	78,591,441	78,616,441	68,123,030	2.9%	(10,468,411)	-13.3%	65,492,024	64,439,875	68,123,030	100%	##########
INDIGENT BENEFIT	##########	52,827,455	61,384,009	60,660,056	92,545,410	(600,001)	91,945,409	63,066,609	7,168,778	6,568,777	99,114,187	-	85,783,196	3.7%	(13,330,991)	-13.5%	90,501,272	95,478,842	-	0%	-

TOTAL EXPENDITURE	##########	##########	##########	##########	1,824,626,921	(12,062,474)	1,824,626,920	1,205,547,232	375,785,913	384,396,117	2,209,023,038	1,443,181,512	2,320,291,516	100.0%	111,268,477	5.0%	2,276,077,615	2,375,942,141	1,525,094,465		##########
(SURPLUS)/DEFICIT	##########	445,920,144	257,370,378	73,739,318	81,715,881	(12,062,474)	81,715,880	40,269,832	331,069,405	330,363,581	412,079,462	1,951,267	465,786,797	200.0%	53,707,336	13.0%	340,774,433	358,163,619	(10,038,962)		##########

CAPITAL LOAN REDEMPTION	32,002,485		
(SURPLUS)/DEFICIT AFTER LOAN	21,963,523		
TRANSFER OF HDF INVESTMENT	(22,355,341)		
(SURPLUS)/DEFICIT AFTER HDF INVESTMENT	(391,818)		

5.1.7.Operational Budget (2018/19): Departments.

DEPARTMENT	2015/2016 ACTUALS	2016/2017 ACTUALS	2017/18 ADJUSTED BUDGET	2018/19 DRAFT BUDGET	2019/20 DRAFT BUDGET	2020/21 DRAFT BUDGET	CASHFLOW DRAFT BUDGET 2018/19
BUDGET AND TREASURY OFFICE	(280,265,995)	(300,654,865)	(342,624,367)	(358,184,932)	(377,204,700)	(399,580,797)	(273,525,971)
COMMUNITY SERVICES	(120,577,147)	(127,075,155)	(137,937,490)	(150,234,958)	(149,451,046)	(164,303,135)	(107,349,591)
CORPORATE SERVICES	(64,600,945)	(63,023,944)	(67,339,144)	(69,025,608)	(73,067,646)	(82,073,434)	(69,025,608)

DEV. PLANNING AND HUMA SETTLEMENTS	(20,680,978)	(55,031,470)	(14,184,493)	(36,406,933)	(15,940,898)	(16,335,793)	(36,406,933)
MUNICIPAL MANAGER	(251,154)	-	(2,000,000)	-	-	-	-
TECHNICAL SERVICES	(1,214,743,183)	(1,299,872,170)	(1,232,858,081)	(1,240,652,289)	(1,319,638,892)	(1,355,485,363)	(1,048,825,325)
Grand Total	(1,701,119,401)	(1,845,657,603)	(1,796,943,576)	(1,854,504,718)	(1,935,303,182)	(2,017,778,522)	(1,535,133,427)
BUDGET AND TREASURY OFFICE	190,620,983	176,298,254	199,850,522	167,720,681	168,513,100	173,353,196	147,770,208
COMMUNITY SERVICES	247,527,507	254,603,420	297,041,962	319,142,743	309,474,770	326,489,302	284,154,071
CORPORATE SERVICES	56,557,276	50,926,216	141,614,579	146,473,116	150,947,005	159,249,090	71,070,485
DEV. PLANNING AND HUMA SETTLEMENTS	45,917,861	45,045,963	54,889,479	79,325,745	11,511,980	12,002,600	79,325,745
MUNICIPAL MANAGER	63,209,349	65,182,334	65,832,668	61,908,936	4,373,854	4,378,706	61,908,936
TECHNICAL SERVICES	1,543,206,569	1,327,340,734	1,449,793,828	1,545,720,294	1,631,256,906	1,700,469,247	880,865,019
Grand Total	2,147,039,545	1,919,396,921	2,209,023,038	2,320,291,516	2,276,077,615	2,375,942,141	1,525,094,465

SURPLUS/ DEFICIT	445,920,144	73,739,318	412,079,462	465,786,797	340,774,433	358,163,619	(10,038,962)

5.1.8.Department of Education (2018/19).

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500268361	SISIZAKELE PRIMARY SCHOOL - NEWCASTLE	DoPW	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	0	0	0	0	0	0	0
500190883	BUMBISIZWE SPECIAL SCHOOL	DoPW	Upgrades and Additions	Special Schools	Learners with Special Educational Needs	8 983 475	5 813 246	1 735 767	1 398 600	35 862	0	0
500137899	ENKULULEKWENI P	DoPW	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	5 080 329	3 307 208	960 641	812 480	0	0	0
500156103	HLALANATHI H	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	1 584 959	1 584 959	0	0	0	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500414659	HLALUNOLWAZI P SCHOOL	Coega Development Corporation	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	12 000	0	53 484	0	0	0	0
500162726	INDONSA S	Independent Development Trust	Upgrades and Additions	Public Ordinary Schools	Curriculum Redress	8 221 875	7 390 474	864 369	0	0	0	0
500166648	INVERNESS P	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	4 976 865	3 420 027	473 092	1 056 652	25 739	0	0
500166648	INVERNESS P	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	3 729 000	3 729 000	51 710	0	0	0	0
500168091	ISIKHALISEZWE	Independent Development Trust	Upgrades and Additions	Public Ordinary Schools	Curriculum Redress	0	0	189 069	0	0	0	0
500248307	PHENDUKANIH	Coega Development Corporation	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	17 895 250	15 454 981	0	2 379 262	57 956	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500257076	SABELA H	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	998 248	998 248	0	0	0	0	0
500414585	SIPHESIHLE P	Coega Development Corporation	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	25 585 957	21 224 245	683 201	2 789 538	844 525	0	0
500105598	ST LEWIS BERTRANDS S	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	9 074 395	7 550 095	892 598	631 702	0	0	0
500285455	TUGELA SPECIAL SCHOOL	DoPW	Refurbishment and Rehabilitation	Special Schools	Repairs and Renovations	4 443 000	4 442 583	0	417	0	0	0
500343730	VULINDLELA P	DoPW	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	9 903 000	9 902 667	0	333	0	0	0
500337662	VUMANISABELO SPECIAL SCHOOL	DoPW	Upgrades and Additions	Special Schools	Learners with Special	17 015 000	16 373 000	0	642 000	0	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
					Educational Needs							
500300588	ZIPHAKAMISENI H	Independent Development Trust	Upgrades and Additions	Public Ordinary Schools	Curriculum Redress	7 046 000	5 911 000	185 547	949 453	0	0	0
500140193	ESIDIDINI P	Coega Development Corporation	Upgrades and Additions	Public Ordinary Schools	Full Service Schools	25 977 902	18 586 297	3 928 948	2 625 848	794 968	0	0
500414548	EZAMAKHANYA P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	2 676 695	2 330 877	509 589	0	0	0	0
500155881	HLABANA P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	4 272 448	3 202 559	1 348 914	0	0	0	0
500414659	HLALUNOLWAZI P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	2 538 457	1 610 275	283 996	644 186	0	0	0
500173826	KHASELIHLE P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	4 191 296	2 608 226	1 699 919	0	0	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500175047	KHULAKAHLE P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	2 482 839	1 923 864	696 446	0	0	0	0
500212528	MLAMLELI JP	Independent Development Trust	Upgrades and Additions	Early Childhood Development	Early Childhood Development	2 343 000	2 056 000	0	287 000	0	0	0
500212528	MLAMLELI P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	3 394 786	1 917 869	1 170 617	306 300	0	0	0
500213712	MNTIMANDE P	Independent Development Trust	Upgrades and Additions	Early Childhood Development	Early Childhood Development	2 735 944	2 423 032	0	312 912	0	0	0
500224109	NDABANHLE P (OSIZWENI)	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	3 278 948	2 711 299	346 490	221 159	0	0	0
500252488	QEDIZABA P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	2 984 381	1 719 290	871 323	393 768	0	0	0
500267880	SIPHUMELELE P	Coega Development Corporation	New Infrastructure Assets	Public Ordinary Schools	New Schools	63 219 488	50 001 685	6 070 685	4 064 923	2 928 085	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500292966	VUKANI P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	3 228 872	2 661 562	976 973	0	0	0	0
500301439	ZUZA P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	4 319 378	2 802 573	449 225	1 040 891	26 690	0	0
500247530	PHAMBILI P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	1 626 000	0	42 134	1 544 269	39 597	0	0
500153106	HAIG COMBINE S	Independent Development Trust	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	0	0	52 198	0	0	0	0
500269915	SIYAMUKELAH	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	3 000 000	0	0	2 925 000	71 250	0	0
500447552	KADWA S	DoPW	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	8 700 000	0	0	0	6 715 313	4 665 375	0
500158434	HOPE COMBINED	Coega Developmen	Refurbishment and	Public Ordinary Schools	Repairs and Renovations	0	0	675 364	0	0	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
		t Corporation	Rehabilitation									
500163355	INGOGO P	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	2 000 000	0	0	0	1 298 333	1 254 000	0
500221926	MZAMO H	Independent Development Trust	New Infrastructure Assets	Public Ordinary Schools	New Schools	41 960 770	2 235 078	170 389	3 955 530	9 133 429	7 614 396	11 536 963
500234173	NOKUKHANYA P	DoPW	Upgrades and Additions	Early Childhood Development	Early Childhood Development	1 711 000	0	273 274	0	982 446	455 280	0
500246124	PANORAMA C	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	28 399 828	0	0	0	5 845 631	5 779 365	9 939 940
500268842	SITHOBELUMTHETHO SP	Independent Development Trust	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	16 125 120	1 484 519	0	0	4 095 301	4 482 464	1 789 407
500271136	SIZANANI SS	DoPW	Refurbishment and	Public Ordinary Schools	Repairs and Renovations	27 917 070	0	0	0	5 746 264	5 681 124	9 770 975

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
			Rehabilitation									
500298220	YWCA SPECIAL SCHOOL	Coega Development Corporation	Upgrades and Additions	Special Schools	Learners with Special Educational Needs	75 012 000	0	0	0	13 752 200	18 753 000	18 753 000
500318126	ZAMA S	Independent Development Trust	Upgrades and Additions	Public Ordinary Schools	Upgrades and Additions	19 990 080	1 820 382	0	0	4 243 382	4 397 067	5 753 738
500449291	CELANI P	DoPW	Upgrades and Additions	Public Ordinary Schools	Water and Sanitation	867 800	0	0	0	82 441	409 168	0
500449291	CELANI P	KZNDoe	New Infrastructure Assets	Public Ordinary Schools	New Schools	36 000 000	0	0	0	3 420 000	5 118 545	11 454 545
500149332	GLENCALDER P	DoPW	Upgrades and Additions	Public Ordinary Schools	Electrification	400 000	0	0	0	380 000	0	0
500220520	MULLERSPASS FARM P	DoPW	Upgrades and Additions	Public Ordinary Schools	Electrification	400 000	0	0	0	380 000	0	0

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500440041	QHAWELESIZWE P/S	DoPW	Upgrades and Additions	Public Ordinary Schools	Electrification	400 000	0	0	0	380 000	0	0
500137159	ENHLOKWENI PRIMARY SCHOOL	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	5 000 000	0	0	0	500 000	1 015 833	125 000
500162726	INDONSA SEC SCHOOL	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	10 000 000	0	0	0	1 000 000	1 495 000	3 166 667
500186961	LINGANI P	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	2 000 000	0	0	0	200 000	540 500	0
500230473	NHLOSOKUHLE S	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	8 000 000	0	0	0	800 000	1 357 000	1 366 667
500269915	SIYAMUKELA HIGH SCHOOL	DoPW	Upgrades and Additions	Public Ordinary Schools	Water and Sanitation	37 206 000	0	0	3 720 600	1 808 625	7 487 708	10 851 750

Static Data						Expenditure and Cashflow				MTEF		
EMIS No1.	Name of School	Implementing Agent	Category	Programme Name	Sub Programme	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017	2017-2018	2018-2019
500303770	SIZAMOKUHLE P	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	4 000 000	0	0	0	400 000	812 667	100 000
500271765	SIZWE P	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	4 000 000	0	0	0	400 000	812 667	100 000
500297813	XOLANI H	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	2 000 000	0	0	0	200 000	540 500	0
500299626	ZIBAMBELENI S	DoPW	Refurbishment and Rehabilitation	Public Ordinary Schools	Repairs and Renovations	2 000 000	0	0	0	200 000	540 500	0

5.1.9.Department of Transport (2018/19).

PROJECT NAME	ACTIVITY	LM CODE	LOCAL MUNICIPALITY NAME	DM CODE	DISTRICT MUNICIPALITY NAME	START KM	END KM	2016/17 BUDGET
2034- Widening of Ngagane river bridge	UPGRADING STRUCTURES	KZ252	Newcastle Municipality	DC25	Amajuba District Municipality	N/A	N/A	2 000 000

PROJECT NAME	ACTIVITY	LM CODE	LOCAL MUNICIPALITY NAME	DM CODE	DISTRICT MUNICIPALITY NAME	START KM	END KM	2016/17 BUDGET
2034- Widening of Ngagane river bridge	UPGRADING STRUCTURES	KZ252	Newcastle Municipality	DC25	Amajuba District Municipality	N/A	N/A	1 000 000
2133- Widening of Railway bridge	UPGRADING STRUCTURES	KZ252	Newcastle Municipality	DC25	Amajuba District Municipality	N/A	N/A	2 000 000
2133- Widening of Railway bridge	UPGRADING STRUCTURES	KZ252	Newcastle Municipality	DC25	Amajuba District Municipality	N/A	N/A	1 000 000
Capacity improvement P483 (Phase 1 Sec 1&2)	UPGRADING ROADS	KZ252	Newcastle Municipality	DC25	Amajuba District Municipality	0	19,5	1 000 000
Capacity improvement P483 (Road Phase 1 Sec 1)	UPGRADING ROADS	KZ252	Newcastle Municipality	DC25	Amajuba District Municipality	0	7,1	10 127 475
3399 Ystermynspruit pedestrian bridge	NEW PEDESTRIAN BRIDGES	KZ253	Emandlangeni Municipality	DC25	Amajuba District Municipality	N/A	N/A	950 000
P420	UPGRADING ROADS	KZ253	Emandlangeni Municipality	DC25	Amajuba District Municipality	0	6,5	10 000 000
Professional fees	UPGRADING ROADS	KZ253	Emandlangeni Municipality	DC25	Amajuba District Municipality	0	6,5	1 100 000
3351- Mbabane River Pedestrian Bridge (Sandmines)	NEW PEDESTRIAN BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	N/A	N/A	5 500 000
3351- Mbabane River Pedestrian Bridge (Sandmines)	NEW PEDESTRIAN BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	N/A	N/A	600 000
3398 - MBANE PEDESTRIAN BRIDGE	NEW PEDESTRIAN BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	N/A	N/A	8 000 000

PROJECT NAME	ACTIVITY	LM CODE	LOCAL MUNICIPALITY NAME	DM CODE	DISTRICT MUNICIPALITY NAME	START KM	END KM	2016/17 BUDGET
3398 - MBANE PEDESTRIAN BRIDGE	NEW PEDESTRIAN BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	N/A	N/A	325 000
3399 Ystermynspruit pedestrian bridge	NEW PEDESTRIAN BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	N/A	N/A	2 000 000
Buffels River Bridge (Jiyane)	NEW BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	31,82	36,82	500 000
Professional fees	NEW BRIDGES	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	31,82	36,82	50 000
D181	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	0	3,77	10 000 000
Professional fees	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	0	3,77	6 200 000
D280	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	0	6,2	5 000 000
Professional fees	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	0	11,61	2 500 000
L1364	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	0	5	0
L1364	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	0	5	50 000
Upgrading of P296	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	31,82	36,82	15 000 000

PROJECT NAME	ACTIVITY	LM CODE	LOCAL MUNICIPALITY NAME	DM CODE	DISTRICT MUNICIPALITY NAME	START KM	END KM	2016/17 BUDGET
Upgrading of P296	UPGRADING ROADS	KZ254	Dannhauser Municipality	DC25	Amajuba District Municipality	31,82	36,82	5 000 000
TOTAL								89 902 475

LOCAL MUNICIPALITY NAME	ACTIVITIES	PROJECT NAME	START KM	END KM	UNIT	PLANNED OUTPUT 2016/17	LOCATION	TOTAL
Dannhauser Municipality	HEAVY REHAB	P272 (km32 to km33,5)	32	33,5	m²	13 620	Dundee - Osizweni	36 475 000
		P39-1 (km0 to km3)	0	3	m²	26 160	Newcastle - Cundycloigh	12 500 000
		Professional Fees	0	3			Newcastle - Cundycloigh	1 875 000
			32	33,5			Dundee - Osizweni	5 471 250
Newcastle Municipality	Reseal	P210 (km0 to km8.1)	0	8,1	m²	64 800	Ngagane - Normandien	4 860 000
		Professional Fees	0	8,1			Ngagane - Normandien	729 000
Emadlangeni Municipality	HEAVY REHAB	P308 (km0 to km1) & P565-0(from km 0 to km3,2)	0	1 & 3,2	m²	50 686	Utrecht - Burgers Pass	13 000 000
		P41 (km13 to km16)	13	16	m²	161 500	Utrecht - Blood River	67 830 000
		Professional Fees	13	16			Utrecht - Blood River	3 375 000
			0	1 & 3,2			Utrecht - Burgers Pass	1 950 000
Amajuba Total Reseal & Rehab								**148 065 250**

5.1.10. Department of Public Works (2018/19).

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
Blacktop Patching										
	C253/1718/BP/725	KZ 253 : Blacktop Patching P420	0	6,7	Grade 2 - contractors	R 600 000,00	800,00	3	AMANTUNGWA TA	NKOSI KHUMALO
	C253/1718/BP/726	KZ 253 : Blacktop Patching P374	0	13	ZNT 3236	R 600 000,00	800,00	4	AMANTUNGWA TA	NKOSI SHABALALA
	P252/1718/BP/472	KZ 254 : Blacktop Patching P 211	0	30,64	ZNT 3236	R 1 166 666,67	2000,00	1	INGWE TA	INKOSI ZWANE
	P252/1718/BP/474	Blacktop Patching A - P 272	11,8	50,69	ZNT 3236	R 1 300 000,00	1300,00	3	INGWE TA	INKOSI ZWANE
	P252/1718/BP/475	Blacktop Patching P 35-2	0	14,32	ZNT 3236	R 1 170 000,00	1170,00	1,2,21	EMALANGENI TA	NKOSI NKOSI
	P252/1718/BP/476	Blacktop Patching P296	0	16	ZNT 3236	R 1 000 000,00	1000,00	4,6	AMAHLUBI TA, EMALANGENI TA	NKOSI HADEBE
	P252/1718/BP/477	Blacktop Patching P483	0	28	ZNT 3236	R 2 205 178,89	2205,18	25,20,21,3,2	NGUNDENI TA	MABASO
	P252/1718/BP/478	Blacktop Patching P39	31	40	ZNT 3236	R 1 600 000,00	1600,00	1	INGWE T.A	NKOSI ZWANE
	P252/1718/BP/479	Blacktop Patching D718	0	2,4	Grade 2 - contractors	R 600 000,00	800,00	1	INGWE T.A	NKOSI ZWANE
	P252/1718/BP/480	Blacktop Patching P34-1	0	26,3	Grade 2 - contractors	R 600 000,00	800,00	2	INGWE T.A	NKOSI ZWANE
	P253/1718/BP/725	KZ 252 : Blacktop Patching P565	0	7	ZNT 3236	R 966 666,67	966,67	2	AMANTUNGWA TA	NKOSI SHABALALA
	P253/1718/BP/721	KZ 252 : Blacktop Patching P41	32	40	ZNT 3236	R 600 000,00	800,00	3	AMANTUNGWA TA	NKOSI SHABALALA
	P253/1718/BP/723	Blacktop Patching P 483 / P37	21	42	Grade 2 - contractors	R 600 000,00	800,00	20,4	NGUNDENI TA	MABASO

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	P253/1718/BP/724	Blacktop Patching P40	0	2	ZNT 3236	R 1 600 000,00	1600,00	1	AMANTUNGWA TA	NKOSI SHABALALA
Blacktop Patching Total						**R 14 608 512,23**	**16641,85**			
Betterment & Regravelling										
	C252/1617/PG/555	D264	0	4	Grade 2 - contractors	R 0,00	0,00	1	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/553	Regravelling D1339	0	10	ZNB 2800	R 3 200 000,00	10,00	9,10	EMALANGENI TA	NKOSI NKOSI
	C252/1718/BR/554	Regravelling D114	0	12,9	ZNT2800	R 2 461 333,33	12,90	2,3	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/555	Regravelling D2443	4,4	12,84	ZNT2800	R 2 700 800,00	8,44	8	AMASHANDU TA	NKOSI MBATHA
	C252/1718/BR/556	Regravelling D301	0	6,67	ZNT2800	R 2 134 400,00	6,67	3,6	GULE TA	NKOSI GULE
	C252/1718/BR/557	Regravelling L2400	0	2,16	Grade 2 - contractors	R 691 200,00	2,16	6	AMASHANDU TA	NKOSI MBATHA
	C252/1718/BR/558	Regravelling P376-1	0	7,07	ZNB 2800	R 2 262 400,00	7,07	2	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/559	Regravelling L2350	0	2,64	Grade 2 - contractors	R 844 800,00	2,64	6	AMASHANDU TA	NKOSI MBATHA
	C252/1718/BR/560	Regravelling P39	45	50,5	ZNB 2800	R 1 760 000,00	5,50	1	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/561	Regravelling D446	0	6,01	Grade 3 - contractors	R 1 923 200,00	6,01	1	KHATHIDE TA	NKOSI KUBHEKA
	C252/1718/BR/562	Regravelling P446	0	4,82	Grade 3 - contractors	R 1 542 400,00	4,82	21	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/563	Regravelling L1559	0	7,2	ZNB 2800	R 2 304 000,00	7,20	21	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/564	Regravelling P213	0	8	ZNB 2800	R 2 560 000,00	8,00	1	KHATHIDE TA	INKOSI KUBHEKA

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C252/1718/BR/566	Regravelling : P207	0	6	Grade 3 - contractors	R 1 920 000,00	6,00	1	INGWE TA	INKOSI ZWANE
	C252/1718/BR/567	Regravelling : P279	0	6	Grade 3 - contractors	R 1 920 000,00	6,00	4	THEKWANE TA	NKOSI SHABALALA
	C252/1718/BR/568	Regravelling : D98	0	10,69	ZNT2800	R 2 587 466,67	10,69	1	KHATHIDE TA	NKOSI KUBHEKA
	C252/1718/BR/580	Regravelling : D264	0	4	Grade 3 - contractors	R 1 280 000,00	4,00	1	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/581	Regravelling : L1434	0	6	Grade 3 - contractors	R 1 920 000,00	6,00	24	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/569	Regravelling : D445	0	4,7	Grade 3 - contractors	R 1 504 000,00	4,70	1	INGWE T.A	NKOSI ZWANE
	C252/1718/BR/570	Regravelling : L1557	0	5,59	Grade 3 - contractors	R 1 788 800,00	5,59	9,8	EMALANGENI TA	NKOSI NKOSI
	C252/1718/BR/571	Regravelling : L2465	0	3,42	Grade 3 - contractors	R 1 094 400,00	3,42	10	AMAHLUBI TA	NKOSI HADEBE
	C252/1718/BR/582	Regravelling : L1572	0	5,24	Grade 3 - contractors	R 1 676 800,00	5,24	11,6	GULE TA	NKOSI GULE
	C253/1718/BR/813	Regravelling P214	16	23	Grade 3 - contractors	R 2 240 000,00	7,00	3	AMASHANDU TA	NKOSI MBATHA
	C253/1718/BR/814	Regravelling P215	10	16	Grade 3 - contractors	R 1 920 000,00	6,00	4	THEKWANE TA	NKOSI SHABALALA
	C253/1718/BR/815	Regravelling P290	0	3,5	Grade 3 - contractors	R 1 120 000,00	3,50	4	THEKWANE TA	NKOSI SHABALALA
	C253/1718/BR/816	Regravelling P40	31	38	ZNT2800	R 2 240 000,00	7,00	1	THEKWANETA	NKOSI SHABALALA
	C253/1718/BR/817	Regeavelling P279	18,3	26,9	ZNT2800	R 2 752 000,00	8,60	1	THEKWANE TA	NKOSI SHABALALA
	C253/1718/BR/818	Regravelling P43	17	24	Grade 3 - contractors	R 2 240 000,00	7,00	1	AMASHANDU TA	NKOSI MBATHA

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C253/1718/BR/819	Regravelling D326	0	6	Grade 3 - contractors	R 1 920 000,00	6,00	4	AMANTUNGWA TA	NKOSI KHUMALO
	C253/1718/BR/820	Regravelling L1428	5	19,8	ZNB 2800	R 4 736 000,00	14,80	1	NDLAMLENZE TA	NKOSI NZIMA
	C253/1718/BR/821	Regravelling D266	0	10,1	ZNB 2800	R 3 232 000,00	10,10	4	THEKWANE TA	NKOSI SHABALALA
	C253/1718/BR/840	Regravelling D89	0	5	Grade 3 - contractors	R 1 248 000,00	5,00	4	THEKWANE TA	NKOSI SHABALALA
	C253/1718/BR/822	Regravelling L1565	0	6	Grade 3 - contractors	R 1 920 000,00	6,00	3,4	AMANTUNGWA TA	NKOSI KHUMALO
	C253/1718/BR/822	Regravelling L1565	0	6	Grade 3 - contractors	R 1 920 000,00	6,00		AMANTUNGWA TA	NKOSI KHUMALO
Betterment & Regravelling Total						**R 67 564 000,00**	**220,05**			
Causeway Construction										
	C252/1617/CC/600	L2848 Causeway 1			Grade2	R 400 000,00	0,00	10	EMALANGENI TA	NKOSI NKOSI
	C252/1617/CC/601	L2848 Causeway 2			Grade2	R 400 000,00	0,00	10	EMALANGENI TA	NKOSI NKOSI
	C252/1617/CC/602	P 376/1			Grade2	R 1 359 008,15	1,00	2	INGWE T.A	NKOSI ZWANE
	C252/1617/CC/603	D279			Departmental Teams	R 1 679 504,08	1,00	1	INGWE T.A	NKOSI ZWANE
	C253/1617/CC/740	L2416 A			Grade2	R 400 000,00	1,00	1	NDLAMLENZE TA	NKOSI NZIMA
	C253/1617/CC/741	L2416 B			Grade2	R 400 000,00	1,00	1	NDLAMLENZE TA	NKOSI NZIMA
	C253/1617/CC/748	L2872 Upgrade (Thuthuka)			Grade2	R 859 008,15	1,00	1	NGUNDENI TA	MABASO
	C253/1617/CC/749	L1561 Upgrade			Grade2	R 679 504,08	1,00	4	AMANTUNGWA TA	NKOSI KHUMALO

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C253/1718/CC/743	L1431 A			Departmental Teams	R 400 000,00	1,00	1	INGWE T.A	NKOSI ZWANE
	C253/1718/CC/744	L1431 B			Departmental Teams	R 400 000,00	1,00	1	INGWE T.A	NKOSI ZWANE
Causeway Construction Total						**R 6 977 024,46**	**8,00**			
New Gravel Roads										
	C252/1617/NGR/544	(L3171) Manzana	0	4,3	ZNT2800	R 2 365 000,00	4,30	30	AMAHLUBI TA	NKOSI HADEBE
	C253/1718/NGR/783	L1431 Ext	0	2,5	Grade 3 - contractors	R 1 375 000,00	2,50	1	AMASHANDU TA	NKOSI MBATHA
	C253/1718/NGR/784	(L1430 - L3175 - L3176)Berrow Road	0	2,5	Departmental Teams	R 0,00	2,50	3	AMANTUNGWA TA	NKOSI KHUMALO
	C252/1718/NGR/533	L3197 (Stotoni)	0	5,4	ZNT2800	R 3 139 008,15	5,40	1	THEKWANE TA	NKOSI SHABALALA
	C252/1718/NGR/534	L3174 (Shisampama)	0	3,6	Grade 4 - contractors	R 2 199 504,08	3,60	1	AMASHANDU TA	NKOSI MBATHA
	C252/1718/NGR/535	L3173 (kHESHE)	0	2,254	Grade 3 - contractors	R 1 257 304,08	2,25	10	AMASHANDU TA	NKOSI MBATHA
New Gravel Roads Total						**R 10 335 816,30**	**20,55**			

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
Blacktop Patching										
	C252/1819/BP/452	KZ 252 : Blacktop Patching P272,P39	0	40,2	ZNT 3236	R 3 000 000,00	3000,00	1	GULE TA,INGWE TA	INKOSI GULE,INKOSI ZWANE
	C252/1819/BP/453	KZ 254 : Blacktop Patching P 211,P279	Various	Various	ZNT 3236	R 1 000 000,00	1500,00	1,6	INGWE TA,KHATHIDE TA	INKOSI GULE,ZWANE
	C252/1819/BP/454	Blacktop Patching A - Projects P 483	6	19,6	ZNT 3236	R 1 000 000,00	1500,00	19,20,21	AMAHLUBI TA, AMANTUNGWA TA	NKOSI HADEBE, NKOSI KHUMALO
	C252/1819/BP/455	Blacktop Patching B - Projects P 241A,P296	11	47	Grade 2 - contractors	R 1 000 000,00	650,00	6,13,17	AMAHLUBI TA	NKOSI HADEBE
	C252/1819/BP/456	Blacktop Patching C - Projects D96	Various	Various	Grade2	R 650 000,00	450,00	1	INGWE T.A	NKOSI ZWANE
	C252/1819/BP/457	Blacktop Patching P 210,P209	0	8,1	ZNT 3236	R 1 000 000,00	1500,00	1	INGWE TA	INKOSI ZWANE
	C252/1819/BP/458	Blacktop Patching P 35/2	0	14,3	ZNT 3236	R 1 000 000,00	1000,00	1	INGWE TA	INKOSI ZWANE
	C252/1819/BP/459	Blacktop Patching P 34/1	0	26,3	ZNT 3236	R 1 000 000,00	750,00	1,2	INGWE TA	NKOSI ZWANE
	C253/1819/BP/751	KZ 253 : Blacktop Patching P483	0	3,5	Grade 2	R 650 000,00	800,00	3	AMAHLUBI TA, AMANTUNGWA TA	NKOSI HADEBE, NKOSI KHUMALO
	C253/1819/BP/752	KZ 253 : Blacktop Patching P374	0	13	Grade 2	R 650 000,00	800,00	4	THEKWANETA	NKOSI SHABALALA
	C253/1819/BP/753	KZ 253 : Blacktop Patching P34-2	32	47	ZNT 3236	R 2 000 000,00	2000,00	6	INGWE T.A	NKOSI ZWANE
	C253/1819/BP/754	KZ 254 : Blacktop Patching - P 565	0	7,3	Grade2	R 2 000 000,00	2000,00	1	AMASHANDU TA	NKOSI MBATHA

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C253/1819/BP/755	Blacktop Patching A - Projects P 420	0	6,7	Grade2	R 650 000,00	800,00	3	AMANTUNGWATA	NKOSI KHUMALO
Betterment & Regravelling Total						R 15 600 000,00	16750,00			
Betterment & Regravelling										
	C252/1819/BR/458	Regravelling L2579	0	6,285	Grade 3 - contractors	R 2 828 250,00	0,00	9	EMALANGENI TA	NKOSI NKOSI
	C252/1819/BR/459	Regravelling D2476	0	5,571	Grade 3 - contractors	R 2 506 950,00	0,00	9	EMALANGENI TA	NKOSI NKOSI
	C252/1819/BR/462	Regravelling D2358	0	3,42	Grade 3 - contractors	R 1 539 000,00	0,00	5,9	EMALANGENI TA	NKOSI NKOSI
	C252/1819/BR/463	Regravelling L2578	0	3,5	Grade 3 - contractors	R 1 575 000,00	0,00	1	EMALANGENI TA	NKOSI NKOSI
	C252/1819/BR/466	Regravelling D151	0	7,02	Grade 3 - contractors	R 3 159 000,00	10,00	5	EMALANGENI TA	NKOSI NKOSI
	C252/1819/BR/467	Regravelling L1570	0	2,26	Grade 3 - contractors	R 1 017 000,00	12,90	4	GULE TA	NKOSI GULE
	C252/1819/BR/468	Regravelling OL176	0	3	Grade 3 - contractors	R 1 350 000,00	8,44	4	GULE TA	NKOSI GULE
	C252/1819/BR/469	Regravelling OL979	0	2	Grade 3 - contractors	R 900 000,00	6,67	5	GULE TA	NKOSI GULE
	C252/1819/BR/470	Regravelling : L1558	0	5,7	Grade 3 - contractors	R 2 565 000,00	2,16	3	EMALANGENI TA	NKOSI NKOSI
	C252/1819/BR/471	Regravelling : D96	0	12	Grade 3 - contractors	R 5 400 000,00	7,07	1	INGWE T.A	NKOSI ZWANE
	C252/1819/BR/472	Regravelling : L2399	0	5,6	ZNB 2800	R 2 520 000,00	2,64	4	GULE TA	NKOSI GULE

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C252/1819/BR/473	Regravelling : L1574	0	4,27	Grade 3 - contractors	R 1 921 500,00	5,50	3	GULE TA	NKOSI GULE
	C252/1819/BR/474	Regravelling : L1366	0	2,05	ZNB 2800	R 922 500,00	6,01	3	GULE TA	NKOSI GULE
	C252/1819/BR/475	Regravelling : L2140	0	2,68	Grade 3 - contractors	R 1 206 000,00	4,82	3	GULE TA	NKOSI GULE
	C253/1819/BR/781	Regravelling P214	8,5	16	ZNT2800	R 2 925 000,00	6,00	2	AMASHANDU TA	NKOSI MBATHA
	C253/1819/BR/782	Regravelling P215	16	22,5	ZNT2800	R 4 050 000,00	4,70	4	THEKWANE TA	NKOSI SHABALALA
	C253/1819/BR/783	Regravelling D93	0	9	ZNT2800	R 3 150 000,00	5,59	1	MGUNGENI TA	NKOSI MBASO
	C253/1819/BR/784	Regravelling P43	24	31	ZNT2800	R 1 530 000,00	3,42	4	AMASHANDU TA	NKOSI MBATHA
	C253/1819/BR/785	Regravelling P40	24	31	ZNT2800	R 3 150 000,00	5,24	3	THEKWANETA	NKOSI SHABALALA
	C253/1819/BR/786	Regravelling D326	6	9	Grade 3 - contractors	R 1 350 000,00	0,00	2	AMANTUNGWA TA	NKOSI KHUMALO
	C253/1819/BR/787	Regravelling L2416	0	5,8	Grade 3 - contractors	R 2 610 000,00	0,00	4	NDLAMLENZE TA	NKOSI NZIMA
	C253/1819/BR/788	Regravelling L2414	0	2,3	Grade 3 - contractors	R 1 035 000,00	0,00	4	GULE TA	NKOSI GULE
	C253/1819/BR/789	Regravelling D699	0	9,5	ZNB 2800	R 4 275 000,00	7,00	4	GULE TA	NKOSI GULE
	C253/1819/BR/790	Regravelling D754	0	8,4	ZNB 2800	R 3 780 000,00	6,00	1	AMASHANDU TA	NKOSI MBATHA
	C253/1819/BR/791	Regravelling L1566	0	3,4	Grade 3 - contractors	R 1 530 000,00	3,50	1	NGUNDENI TA	NKOSI MABASO
Betterment & Regravelling Total						R 58 795 200,00	107,66			

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
Causeway Construction										
	C253/1718/CC/742	L1431 A	-	-	Grade2	R 650 000,00	1,00	1	INGWE T.A	NKOSI ZWANE
	C253/1718/CC/743	L1431 B	-	-	Grade2	R 650 000,00	1,00	1	INGWE T.A	NKOSI ZWANE
	C253/1819/CC/743	L1566	-	-	Grade 2 - contractors	R 650 000,00	1,00	3	NGUNDENI TA	NKOSI MABASO
	C252/1819/CC/520	Gcwabaza Causeway No 1 L 2848	-	-	Grade 3 - contractors	R 2 000 000,00	1,00	2	EMALANGENI TA	NKOSI NKOSI
	C252/1819/CC/521	Gcwabaza Causeway No 2 L 2848	-	-	Grade 3 - contractors	R 2 000 000,00	1,00	1	EMALANGENI TA	NKOSI NKOSI
	C252/1819/CC/522	Biskop Road Causeway	-	-	Grade 2 - contractors	R 650 000,00	1,00	11	INGWE TA	NKOSI ZWANE
Causeway Construction Total						R 6 600 000,00	6,00			
New Gravel Roads										
	C252/1617/NGR/540	D423 Ext	0	2	ZNB 2800	R 1 600 000,00	2,00	1	KHATHIDE TA	NKOSI KUBHEKA
	C252/NGR/562	(L3172) Biskop Road	0	0,59	Grade 2 - contractors	R 472 000,00	0,59	Various	INGWE TA	NKOSI ZWANE
	C253/1718/NGR/782	Kwamancamane	0	2,5	Grade 3 - contractors	R 2 000 000,00	2,50	2	AMASHANDU TA	NKOSI MBATHA
	C253/1819/NGR/785	Kwaluthilunye Road	0	3	Grade 3 - contractors	R 2 400 000,00	3,00	4	AMASHANDU TA	NKOSI MBATHA

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C253/1819/NGR/786	Emanantshini Road	0	3	Grade 3 - contractors	R 2 400 000,00	3,00	2	AMASHANDU TA	NKOSI MBATHA
	C252/1819/NGR/559	L3174	0	3,608	Grade3	R 2 886 400,00	3,61	8	AMASHANDU TA	NKOSI MBATHA
	C252/1819/NGR/562	L3173	0	2,254	Grade3	R 1 803 200,00	2,25	1	AMASHANDU TA	NKOSI MBATHA
	C252/1819/NGR/564	D100 Ext	0	2,5	Grade4	R 2 000 000,00	2,50	1	INGWE T.A	NKOSI ZWANE
	C253/1819/NGR/862	D 326 ext	0	1	Grade 2 - contractors	R 800 000,00	1,00	3	AMANTUNGWA TA	NKOSI KHUMALO
Supervision & Mangement Total						R 16 361 600,00	20,45			

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
Blacktop Patching										
	C253/1920/BP/725	KZ 252 : Blacktop Patching P420	0	6,7	Grade 2 - contractors	R 650 000,00	800,00	3	AMASHANDU TA	NKOSI MBATHA
	C253/1920/BP/726	KZ 252 : Blacktop Patching P374	0	13	Grade 2 - contractors	R 650 000,00	800,00	4	THEKWANE TA	NKOSI SHABALALA
	P252/1920/BP/472	KZ 254 : Blacktop Patching P 211	0	30,64	ZNT 3236	R 1 000 000,00	1000,00	1	INGWE TA	NKOSI ZWANE
	P252/1920/BP/474	Blacktop Patching A - P 272	11,8	50,69	ZNT 3236	R 2 000 000,00	2000,00	4.5.1	GULE TA	NKOSI NTULI
	P252/1920/BP/475	Blacktop Patching P 35-2	0	14,32	ZNT 3236	R 1 500 000,00	1500,00	2,5,2,1	GULE TA	NKOSI NTULI
	P252/1920/BP/476	Blacktop Patching P296	0	16	Grade 2 - contractors	R 650 000,00	800,00	15,16,9,8	GULE TA	NKOSI NTULI
	P252/1920/BP/476	Blacktop Patching P483	0	28	ZNT 3236	R 3 000 000,00	3000,00	20,19,20,21, 16,12,13	GULE TA	NKOSI NTULI

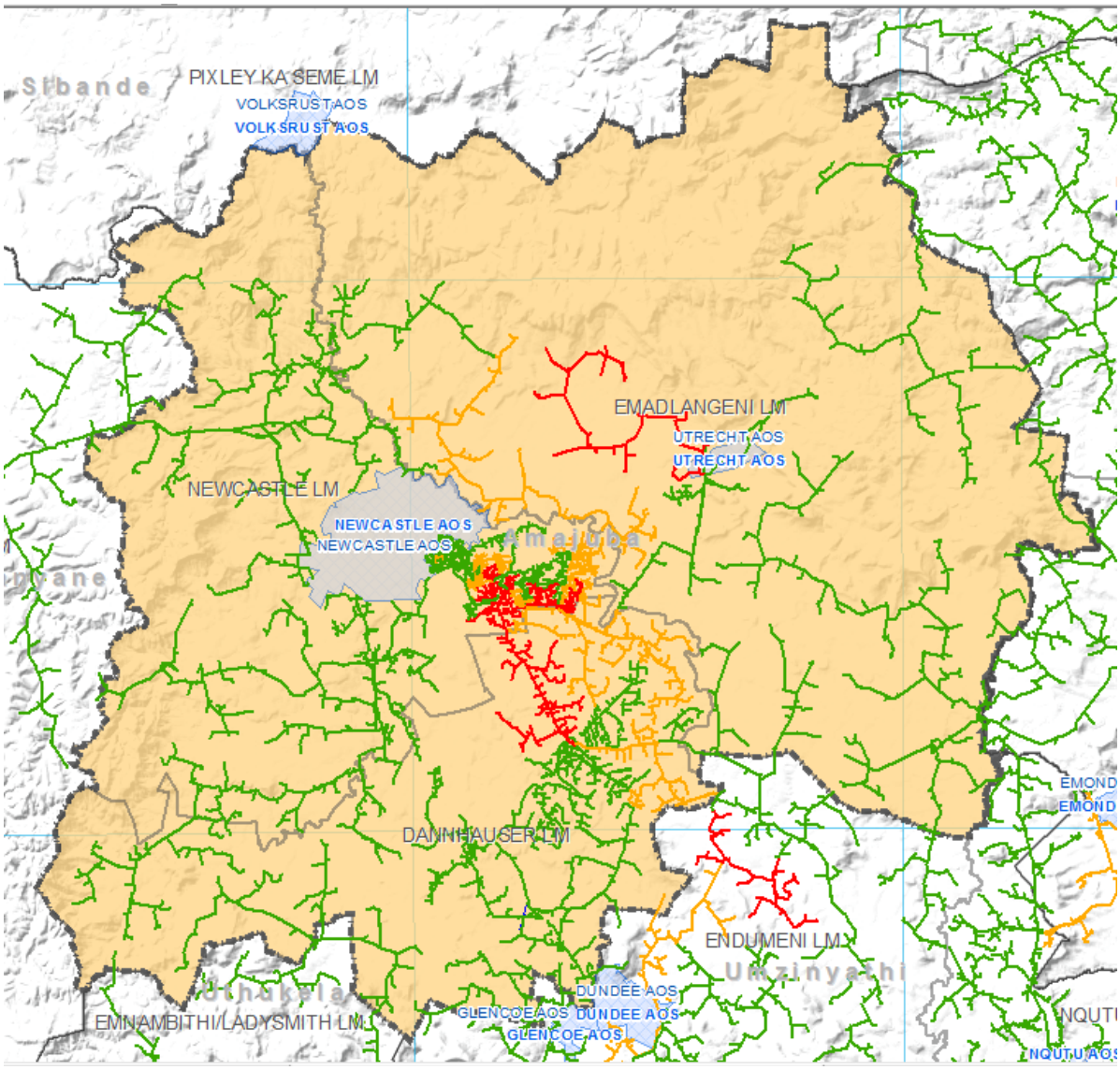
ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	P253/1920/BP/725	KZ 252 : Blacktop Patching P565	0	7	Grade 2 - contractors	R 650 000,00	800,00	3	AMASHANDU TA	NKOSI MBATHA
	P253/1920/BP/721	KZ 252 : Blacktop Patching P41	0	13	Grade 2 - contractors	R 650 000,00	800,00	3	AMASHANDU TA	NKOSI MBATHA
	P253/1920/BP/723	Blacktop Patching P37	0	35	ZNT 3236	R 650 000,00	1000,00	4	THEKWANE TA	NKOSI SHABALALA
	P253/1920/BP/724	Blacktop Patching P40	0	2	Grade 2 - contractors	R 650 000,00	800,00	2,1	THEKWANE TA	NKOSI SHABALALA
						R 12 050 000,00	13300,00			
Betterment & Regravelling										
	C252/1920/BR/553	L1427	0	9,09	Grade 4 - contractors	R 4 090 500,00	9,09	3	GULE TA	NKOSI NTULI
	C252/1920/BR/554	L1564	0	6,18	Grade 4 - contractors	R 2 781 000,00	6,18	3	GULE TA	NKOSI NTULI
	C252/1920/BR/555	D109	0	7,18	Grade 4 - contractors	R 3 231 000,00	7,18	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/556	D112	0	10,78	ZNT2800	R 4 851 000,00	10,78	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/557	P554	0	13,82	Grade 2 - contractors	R 6 219 000,00	13,82	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/558	D672	0	2,87	ZNB 2800	R 1 291 500,00	2,87	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/559	P210	0	12,79	Grade 2 - contractors	R 5 755 500,00	12,79	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/560	P213	6	12	ZNB 2800	R 2 700 000,00	6,00	1	KHATHIDE TA	NKOSI KHUBEKA

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C252/1920/BR/561	P205-1	10	22	Grade 3 - contractors	R 5 400 000,00	12,00	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/562	P205-2	10	22	Grade 3 - contractors	R 5 400 000,00	12,00	1	INGWE TA	NKOSI ZWANE
	C252/1920/BR/563	L1435	0	6,54	ZNB 2800	R 2 943 000,00	6,54	1,2	EMALANGENI TA	NKOSI NKOSI
	C252/1920/BR/564	D1338	0	8,9	ZNB 2800	R 4 005 000,00	8,90	9	EMALANGENI TA	NKOSI NKOSI
	C252/1920/BR/566	L1567	0	4,88	Grade 3 - contractors	R 2 196 000,00	4,88	4,3	GULE TA	NKOSI NTULI
	C252/1920/BR/567	D2357	0	5,01	Grade 3 - contractors	R 2 254 500,00	5,01	3,7	GULE TA	NKOSI NTULI
	C253/1920/BR/813	D104	0	9	Grade 3 - contractors	R 4 050 000,00	9,00	3,13	AMASHANDU TA	NKOSI MBATHA
	C253/1920/BR/814	D332	15	25	Grade 3 - contractors	R 4 500 000,00	10,00	3	AMASHANDU TA	NKOSI MBATHA
	C253/1920/BR/815	D296	0	1,28	Grade 3 - contractors	R 576 000,00	1,28	3	AMASHANDU TA	NKOSI MBATHA
	C253/1920/BR/816	D426	0	4,5	ZNB 2800	R 2 025 000,00	4,50	1	AMASHANDU TA	NKOSI MBATHA
	C253/1920/BR/817	P214	8	12	ZNB 2800	R 1 800 000,00	4,00	8,6,4	GULE TA	NKOSI NTULI
	C253/1920/BR/818	P215	0	5	Grade 3 - contractors	R 2 250 000,00	5,00	4	THEKWANE TA	NKOSI SHABALALA
	C253/1920/BR/819	D93	6	9	Grade 3 - contractors	R 1 350 000,00	3,00	1	KHATHIDE TA	NKOSI KHUBEKA
	C253/1920/BR/820	P43	41	47	ZNB 2800	R 2 700 000,00	6,00	1	MGUNDENI TA	NKOSI MABASO
	C253/1920/BR/821	P40	18	24	ZNB 2800	R 2 700 000,00	6,00	1	MGUNDENI TA	NKOSI MABASO

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C253/1920/BR/821	D358	0	6	Grade 3 - contractors	R 2 700 000,00	6,00	3	AMASHANDU TA	NKOSI MBATHA
Betterment & Regravelling Total						R 77 769 000,00	172,82			
Causeway Construction										
	C253/1920/CC/740	L1566	-	-	Grade 3 - contractors	R 1 000 000,00	1,00	1	MGUNDENI TA	NKOSI MABASO
	C253/1920/CC/741	Kwamancamane	-	-	Grade 3 - contractors	R 1 000 000,00	1,00	2	AMASHANDU TA	NKOSI MBATHA
	C253/1920/CC/821	Ogodweni	-	-	Grade 3 - contractors	R 1 000 000,00	1,00	3	INGWE TA	NKOSI ZWANE
	C253/1920/CC/823	L2415	-	-	Grade 3 - contractors	R 1 000 000,00	1,00	1	AMASHANDU TA	NKOSI MBATHA
	C252/1920/CC/503	D423	9	9	Grade 3 - contractors	R 2 000 000,00	1,00	1	INGWE TA	NKOSI ZWANE
	C252/1920/CC/504	L3174	2	2	Grade 3 - contractors	R 2 000 000,00	1,00	1	INGWE TA	NKOSI ZWANE
	C252/1920/CC/504	L3171	3	3	Grade 3 - contractors	R 2 000 000,00	1,00	11	INGWE TA	NKOSI ZWANE
Causeway Construction Total						R 10 000 000,00	7,00			
New Gravel Roads										
	C252/1920/NGR/541	D100 Ext	0	2,2	ZNB 2800	R 935 000,00	1,10	1	INGWE TA	NKOSI ZWANE
	C252/1920/NGR/543	(L3170) Nkululeko	0	3,597	ZNB 2800	R 3 057 450,00	3,60	1	KHATHIDE TA	NKOSI KHUBEKA
	C253/1920/NGR/787	L 1563 Ext	0	3	Grade 3 - contractors	R 1 275 000,00	1,50	3	AMASHANDU TA	NKOSI MBATHA

ACTIVITIES	2016/17 CONTRACT NO.	PROJECT NAME	START KM	END KM	GRADE	BUDGET	PLANNED OUTPUT	WARD	TRIBAL AUTHORITY	INKOSI
	C253/1920/NGR/863	D378 Ext	0	2	Grade 3 - contractors	R 1 700 000,00	2,00	1	MGUNDENI TA	NKOSI MABASO
	C253/1920/NGR/864	D514 Ext	0	2,5	Grade 3 - contractors	R 2 125 000,00	2,50	1	AMASHANDU TA	NKOSI MBATHA
	C253/1920/NGR/867	L2415Ext	0	2,5	Grade 3 - contractors	R 2 125 000,00	2,50	3	AMASHANDU TA	NKOSI MBATHA
	C253/1819/NGR/868	Ndwakazane	0	2,5	Grade 3 - contractors	R 2 125 000,00	2,50	-	AMASHANDU TA	NKOSI MBATHA
	C252/1920/NGR/533	D459 Ext	0	5,4	Grade 3 - contractors	R 2 125 000,00	2,50	1	INGWE TA	NKOSI ZWANE
	C252/1920/NGR/534	D377 Ext	0	5	Grade 3 - contractors	R 2 125 000,00	2,50	4	KHATHIDE TA	NKOSI KHUBEKA
	C252/1920/NGR/535	D538 Ext	0	2,5	Grade 3 - contractors	R 2 125 000,00	2,50	1	KHATHIDE TA	NKOSI KHUBEKA
New Gravel Roads Total						R 19 717 450,00	R 23,20			
GRAND TOTAL										
206 763 762,98										
	RECONCILED					R 206 763 763,0				

5.1.11. Department of Transport (2018/19).



#	PROJECT NAME	FORM STATUS
1	Incadu-Madadeni 132 kV Line Est - Completed	ERA
2	Madadeni 132/33 kV & 132/11 kV TRFR Est -Completed	ERA
3	Blaauwbosch SS increase cap - Completed	ERA
4	Matsheketsheni 132/11 kV 20 MVA SS establishment	CRA
5	Matsheketsheni 132 kV Tee Line	CRA
6	Kilbarchan SS 88/22 kV TRF Establish	CRA

7	Kilbarchan NB 5 22kV Upgrade	CRA



6. ANNUAL IMPLEMENTATION PLAN.

To achieve delivery on the IDP goals, focus areas and objectives, it is essential to align the municipality budget with the strategy. Sections below expand on aspects of the Newcastle Municipality's medium term financial planning and the extent to which it is possible to align the budget to all priorities of the wards, given our financial constraints and the need to concentrate on basis service delivery.

The long-term financial viability of municipalities depends largely on:-

- The extent to which improved and sustainable revenue capacity can be achieved.
- Sound financial management of its resources.

These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.
The following are significant results of our analysis on the Municipality's Financial Performance, Financial Position, and Cash Flows & Organisation Environment.

6.1. OPERATING BUDGET ESTIMATES.

A municipality is a non-profit organization and it should break even after contributing to the different funds and reserves and meeting normal operating expenses. With the structuring of rates and tariffs both the user-pay principal and full cost recovery are applied. However, reliance is placed on economic and trading services to fund the "Rate- and General Services".

6.2. FINANCIAL POSITION.

The analysis of financial position covers two major sections, namely assets and liabilities. Each of these sections is discussed below.

6.2.1. Assets.

As at the end of 2016, the municipality had total assets to the value of R7.9 billion, which comprises of Property, Plant and Equipment, Cash and cash equivalent, Investment Property, Intangible Assets, Investment in Associate, Receivables, Vat receivable, Inventory and Consumer Debtors. It is worth mentioning that property, plant and equipment of the municipality amounted to R7.2 billion at the end of 2016, and this is a good indicator of the municipality's capacity to render service delivery to communities that it serves. Net consumer debtors amounted to R332.5 million, which requires management to collect in order to convert to cash.

Table 8: Total asset structure

Asset Item	2016	2015	2014
Total Assets	**7,912,605,862**	**8,075,646,240**	**3 399 312 816**
Property, Plant & Equipment	7 275 444 252	7 478 262 847	2 349 860 723
Cash & cash equivalents	44 572 895	340 812 924	327 907 203
Investment Property	275 974 000	207 527 190	273 695 000
Heritage Assets	6 326 820	2 964 899	2 904 899
Intangible Asset	8 539 564	1 759 720	1 348 001
Investments in Associate	346 321 2206	385 131 584	154 822 299
Long-Term Receivables	7 922	9 836	2 904 899
Vat	10 753 011	27 751 286	34 801 284
Inventory	13 380 566	10 896 236	12 439 141
Consumer Debtors	395 096 860	749 006 588	522 181 845
Other Debtors	42 838 395	37 087 650	44 354 725

6.2.2. Consumer debtors.

As at the end of 2016 financial year, the outstanding debt was standing at R991 413 751, stated at R332.5 million net of impairments and bad debt provisions. This after debts in excess of R360 million were written off during the year. This will indeed have a negative impact on our liquidity position if it is not addressed urgently. Hence, it is important that municipality keep on re-examining the effectiveness of its credit control and debt collection strategies with a view to curb or reduce the current level of consumer debtors. The municipality appointed a new service provider, New Integrated Credit Solutions (NICS) for credit control & debt collection in May 2015. The impact of this appointment is still under close surveillance.

The municipality has conducted roadshows at Madadeni and Osizweni with a view to engage the communities on debt management. This ranged from informing them that should they receive the letter of demand from NICS, they need to come to the municipality to make payment arrangements, informing about our Credit Control policy and Indigent Policy. The municipality is also planning to write-off long outstanding debts as per the Prescription Act, debt for deceased consumers as well for consumers who are under debt review as per the Transunion report and recommendations. Council approval in this regard is still awaited as writing off will assist the municipality in focusing on the debt which is realistically collectable.

As the municipality has already embarked on roadshows as explained above, the following strategies are on the pipeline and need to be implemented as a matter of urgency:

- Appointment of a field worker to specifically deals with site visits where a debtor cannot be traced telephonically.
- Appointment of a field worker to perform indigent audit site visits in cases of de-registrations.
- A Call Centre for debt collection purposes with regards to arrears.
- Non-queried accounts to be forwarded to the respective consumers for payment arrangements.
- Monitor queried accounts for speedy resolution for both the consumer and municipality.

Furthermore, the municipality needs to increase the deposit currently standing at R 1 000.00 from January 2016, as it is not sufficient to cover the final account. The billing is six to eight weeks behind, and this attributes to the causes for debt escalation. In areas where the municipality is not providing electricity, water flow regulator meters still needs to be installed.

6.2.3. Property, plant and equipment.

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one reporting period.

The municipality has significantly invested in assets which augur well for service delivery. Property, plant and equipment assets increased by 209% (R4,925,583,529) from 2014 to 2016. Property, Plant and Equipment represents 92% of the capital structure of the municipality.

6.2.4. Cash and cash equivalents.

Cash includes cash on hand and cash invested with banks. Cash and cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. The municipality experience a decrease of 86% (R283 334 308) in cash and cash equivalents from 2014 to 2014. This is due to the expanded investment in the capital assets which resulted in the increase of the asset base as mentioned above.

6.2.5. Investment property.

Investment property is Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- Sale in the ordinary course of operations.

Investment Property represents 3.4% of the capital structure of the municipality. Most of Investment Property is vacant land which means the municipality has adequate potential to facilitate development, which bode well for our future revenue growth. There has not been an major movement in this asset class since 2014.

6.2.6. Investment in Associate.

Investment in Associate represents the municipality's 34% stake in Uthukela Water. The investment increased from R154.8 million in 2015 to R395 million in 2016. This is mainly due to the fact that the Uthukela Water revalued its assets and acquired additional 0assets over the past three years.

6.3. LIABILITIES.

As at 30 June 2016, the liabilities of the municipality were stated just in excess of a R1.0 billion as reflected below. Clearly the Municipality is a going concern with assets in excess of liabilities.

Table 9: Total liability structure

Liability Item	2016	2015	2014
Total liabilities	**1 045 306 734**	**990 812 825**	**729 747 904**
Long-term loans	458 502 484	471 912 802	221 235 119
Non-current provision for landfill site	26 814 753	27 200 543	25 860 274
Non-current provisions: defined benefit plan obligations	120 075 542	107 212 753	93 802 319
Non-current Finance Lease Obligation	25 920	-	231 853
Consumer Deposits	12 752 606	11 048 084	10 027 543
Current Provisions	5 775 189	4 691 613	4 425 946
Unspent Conditional Grants and Receipts	32 408 992	69 609 604	44 948 444
Finance Lease Obligation	65 694	386 033	509 592
Current Portion of Long-term loans	29 375 168	27 326 675	20 979 603
Payables from exchange transaction	359 510 386	272 264 248	307 727 211

6.3.1. Long-term loans.

The Long Term loans has increased from R221 235 119 to R458 502 484 which is an increase of 107% over three years. The increase is mainly due to a two new loans of R164 million and R284 million that were taken in 2014 and 2015 respectively. This items represents 43.8% of the total liabilities of the municipality.

6.3.2. Non-Current Provision for Landfill Site.

In terms of the licencing of the landfill refuse site, council will incur rehabilitation costs of R 26.8 million to restore the site at the end of its useful life, estimated to be in 2017 by the engineers. Provision has been made for the net present value of this cost using the average cost of borrowing interest rate.

6.3.3. Consumer Deposits.

Deposits held in lieu of providing municipal services on credit. This amounted to just over R12.7 million at the end of 2016 financial year.

6.3.4. Non-Current Provisions: Plan Obligations.

The municipality provides retirement benefits for its employees and councillors. This means should the Retirement Fund gets liquidated, the municipality will be required to fulfil the obligation to retired employees and councillors. The provision is currently stated at R120 million.

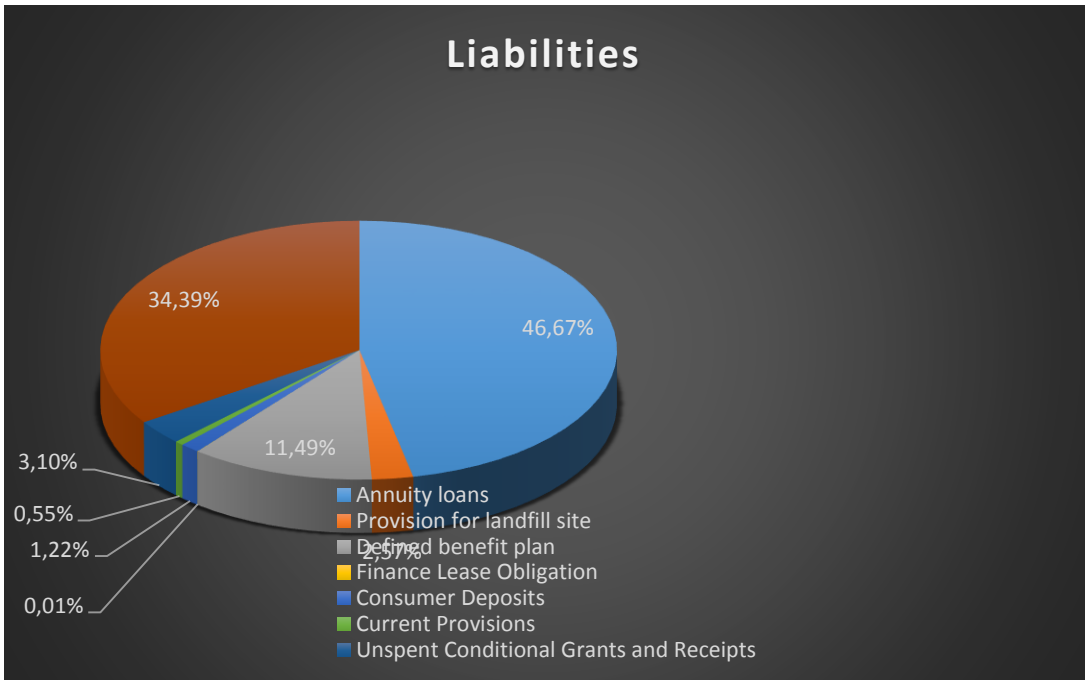
6.3.5. Unspent Conditional Grants.

These are conditional grants from other spheres of government. These amounts represent the obligation of the municipality to comply with the conditions of the grant. If the municipality fails to fulfil the obligations, it will be required repay the money to the National Revenue Fund. The unspent conditional grants are stated at R32.4 million during 2016.

6.3.6. Trade and other Payables.

Trade creditors, staff leave accrual and payments received in advance which represent amounts invoiced or received by the Municipality where services still have to be rendered. These are obligations which the Municipality will be required to fulfil in the future. The Trade and Other Payables are stated at R359.5 million in 2016.

Figure 4: contribution of liability item total liabilities



6.4. FINANCIAL RATIOS.

The municipality can utilize financial ratios to aid in managing their cash position as well as alert them to the possibility of financial difficulties. Calculating the ratios are not enough. The municipality needs to also consider the trends and patterns over the various financial periods and thus ascertain a better understanding of their cash position.

6.4.1. Solvency Ratio.

The entity remains solvent with total assets in excess of total liabilities. This is a comforting scenario, as the municipality continues to invest in assets. During 2016 financial year, over R310 million was invested in assets. As outlined in the table below, the solvency position (ratio of assets to liabilities) of the municipality has improved from 5.11 in 2014 to 8.05 in 2016. The increase is due to the capital assets invested and the revaluation of infrastructure assets.

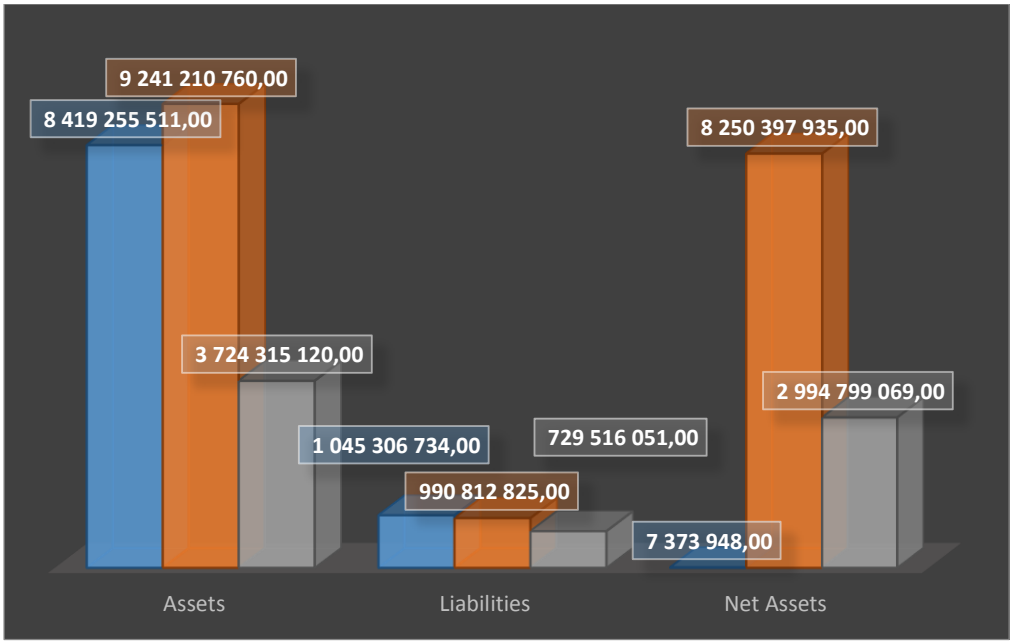
The table below illustrates our solvency situation for the 4 years being analysed. Of concern is the fact that the ratio keeps decreasing as year go by, which means that the municipality my end up having challenging in honouring their obligations in future if no action are taken to improve the situation:

Table 10: Solvency ratio

Item	2016	2015	2014	2013
Assets	8 419 255 511	9 241 210 760	3 724 315 120	3 437 022 178
Liabilities	1 045 306 734	990 812 825	729 516 051	520 629 542
Net Assets	**7 373 948 777**	**8 250 397 935**	**2 994 799 069**	**2 916 392 636**
Ratio	**8.05**	**9.32**	**5.11**	**6.60**

The graph below illustrates our solvency ratio analysis:

Figure 5: solvency position



6.4.2. Liquidity Ratios.

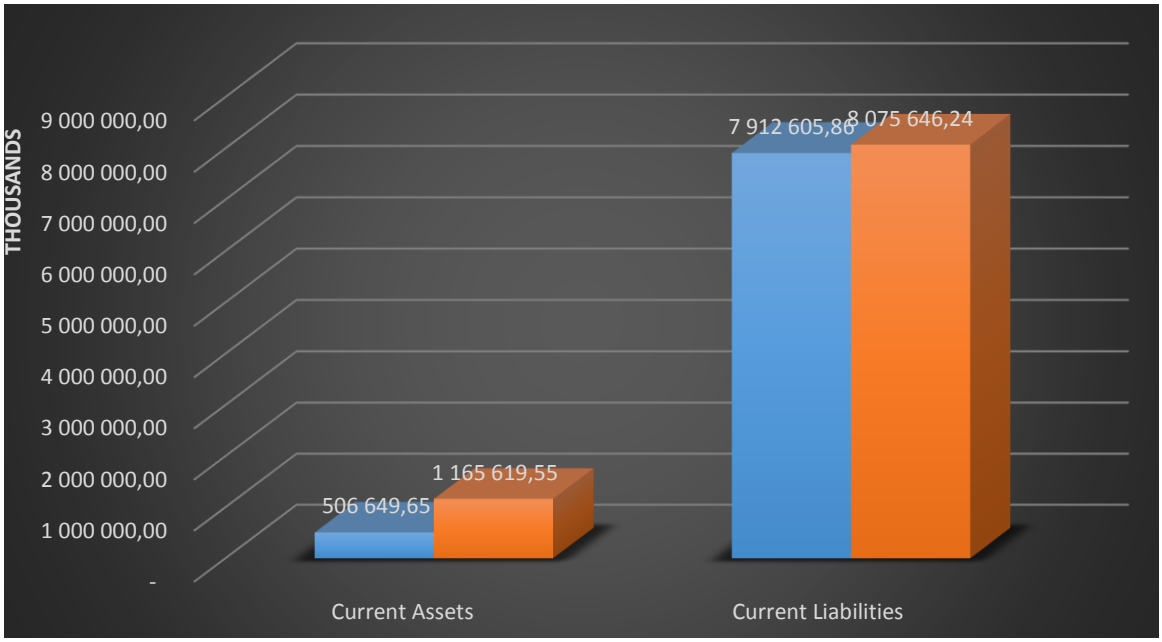
As evident from the table below, the capacity of the Municipality to fulfil its short term obligations is good. The ratio has increase from 2.43 in 2014 to 1.15 in 2016. The decrease is due to additional provision for doubtful debt, when has seen debtors which are likely to be concerted to cash reducing drastically. This ratio is now below the required now of 1:2 and clearly indicate that soon the municipality will be straggling to pay for its creditors.

Table 11: Liquidity Ratios

Item	2016 (R)	2015 (R)	2014 (R)
Current Assets	506 649 649	1 165 619 548	932 604 120
Current Liabilities	439 888 035	384 486 727	384 652 508
Ratio	**1.15**	**3.03**	**2.43**

The graph below further illustrates our liquidity situation.

Figure 6: Liquidity position



6.4.3. Cash Flows.

Net Cash Position (Net of Unspent Conditional Grants)
(Cash and Cash Equivalent – Unspent Conditional Grants)
(R44 572 895 – R32 408 992)
Net Cash Position R 12 163 903
Conditional Grants are provided to municipalities for a specific purpose and cannot be used for the general operations of the municipality. This ratio identifies whether the municipality has sufficient funds to ensure the cash backing of Unspent Conditional Grants. At the end of 2016, adequate cash was available to repay conditional grants.

Net Cash Position (Net of Unspent Conditional Grants and Reserves)
(Cash and Cash Equivalent – Unspent Conditional Grants – Self Insurance Reserve - Housing Development Fund)
(R44 572 895 – R32 408 992-708 555-26 037 234)
= -R14 581 886

This ratios indicates that as at the end of 2016, available cash was inadequate to repay conditional grants, Housing Development Fund and to provide for Insurance reserve in cases of emergent breakdown.

6.4.4. Conclusion.

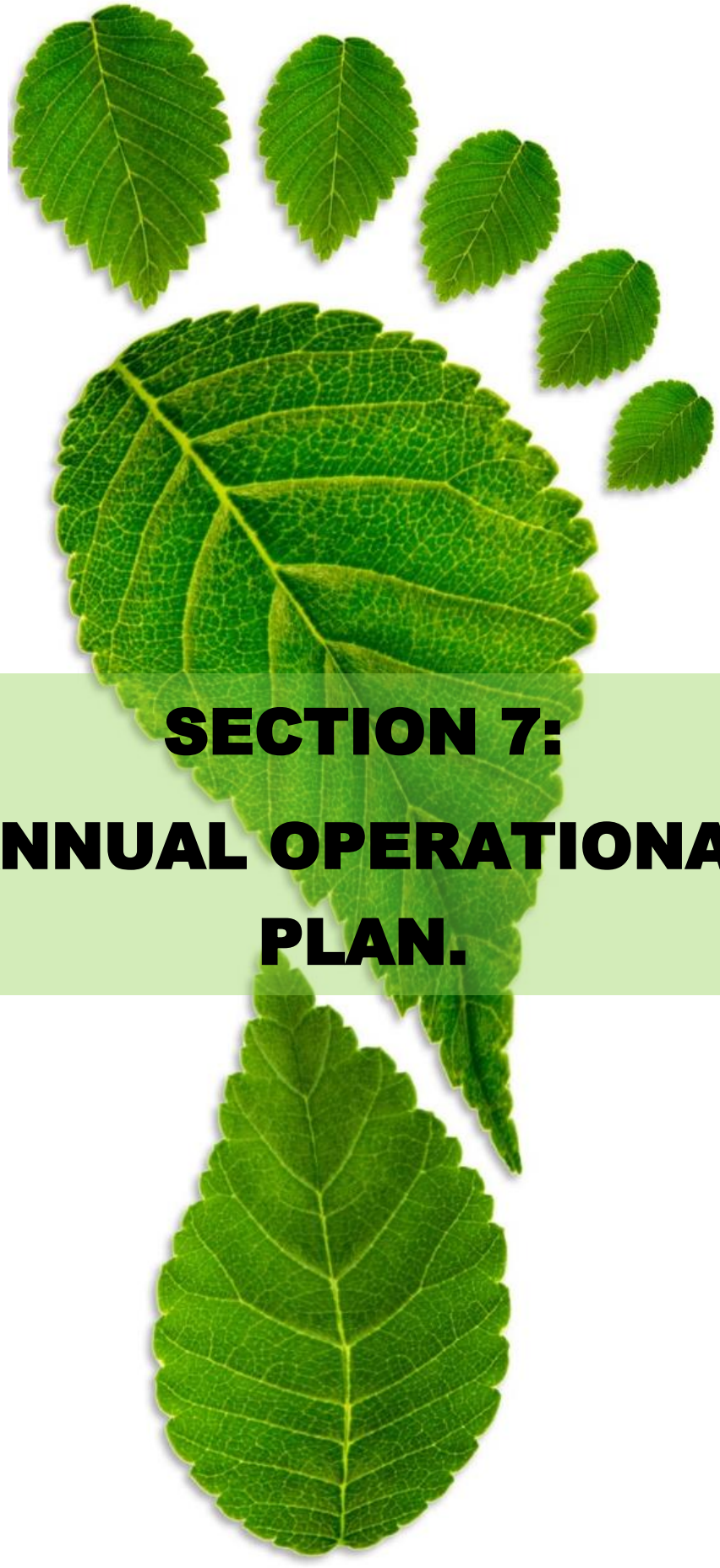
Although revenue has increased well above inflation over the past financial year, such increase was however not adequate to cover the level of expenditure that the municipality has incurred over the same period. Huge increase in non-cash items such as depreciation and debt impairment has had an impact in the deficit as at the end of

2016. This is a clear indication that the municipality reserves and provision have not been adequate to deal with these expenses should the need arise in future.

The solvency of the municipality has seen to be improving during the period under review. The major impact of this improvement is the property plant and equipment which has increased substantially due to revaluation of assets, taking over of Uthukela Water and acquisitions. Consumer debtors have reduced as a result of write-offs and additional provision. It is concerning to note that such reduction has not yielded substantial cash to the municipality. This is the area where the municipality need to concentrate in order to improve its cash base. Furthermore, liabilities have been observed to have increased during the same period. It noted with concern that such increase in mainly due to additional loans that were taken, as well as trade and payables, which could be linked to cash flows problems.

The cash position of the municipality has been observed to decrease drastically over the period. While is noted the some of the cash recorded at the end of each financial year included loans taken by the municipality, it also equally important to note that reserves that the municipality had were utilised to fund capital projects as per approved budgets of the municipality. It is further noted that the available cash at the end of 2016 is not adequate to cover for conditional grants and reserves that need to be cash-backed.

The 2017 is going to be a very difficult year for the municipality, given its cash position. Unless stringent majors are taken to collect more revenue, the municipality will been to slow down of its operation and ensure that as little as possible capital projects are funded internally.



SECTION 7:
ANNUAL OPERATIONAL PLAN.

7. ANNUAL IMPLEMENTATION PLAN.

7.1. ORGANIZATIONAL SCORECARD.

7.1.1.Good Governance.

NEWCASTLE MUNICIPALITY

ORGANISATIONAL SCORE-CARD 2017`18 - 2021/22

DRAFT ORGANISATIONAL SCORE-CARD 2018/19: GOOD GOVERNANCE

OUTCOME 9	GOAL/OBJECTIVES	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET YR2 (2018/19)	RESPONSIBLE DEPARTMENT	PRIMARY SOURCE OF EVIDENCE	SDBIP REFERENCE NUMBER
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To develop and implement an optimal communication strategy and service charter by 2021	GG1.1	Monthly Progress reports on execution of resolutions for Manco, Exco, Council and MPAC	11	11	Office of the Municipal Manager (Executive Support)	Minutes of Exco/Council / MPAC	MM001
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To develop a system of delegation that will maximise administrative and operational efficiencies	GG5.1.2	Annual Review of Delegations Policy by 30 June 2018	Approved Delegations on 30 June 2014	Annual review of Delegations Policy	Office of the Municipal Manager (Executive Support)	Council Resolution and Approved Delegation Policy	MM002
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To strengthen executive support .	GG.1.3	Number of District IGR MM's forums meetings held and attended	New KPI	4	Office of the Municipal Manager (Executive Support)	Attendance registers, minutes and resolutions related to department implemented within specified timeframes	MM003
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote and enhance good governance in the organization.	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and	GG5.4.1	Annual review of Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by 30 June 2019	Existing Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy	Annual review of Risk Management Policy and strategy, Anti-Fraud & Corruption Policy and strategy by 30 June 2019	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Council resolution and Approved Strategy and Policy	MM20

		service delivery targets.							
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote and enhance good governance in the organization.	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectoives and service delivery targets.	GG5.5.1	Annual risk assessment report for 2019/20 as approved by Manco by 31 May 2019	Risk Register 2017/18	Annual risk assessment report for 2019/20 as approved by Municipal Manager by 31 May 2019	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Manco Resolution / Attendance registers for risk assessment workshops and Annual Risk assessment report/Risk assessment report , risk registers, and attendance registers for risk assessment workshops	MM21
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote and enhance good governance in the organization.	To facilitate the implementation of an effective Risk Management System towards ensuring the achievement of the organizational objectives and service delivery targets.	GG5.6.1	Quarterly risk Management reports on implementation of risk management action plan submitted to Audit Committee	To specify last report submitted to AC	4	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Audit Committee Resolution and Quarterly risk Management reports	MM22
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote and enhance good governance in the organization.	To provide compliance monitoring support towards ensuring that compliance risks are mitigated effectively resulting in the positive audit outcomes	GG5.7.1	Quarterly reports on AG and Internal Audit Action Plan	New KPI	4	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Reports /Minutes of Audit Committee	MM23
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote and enhance good governance in the organization.	To provide compliance monitoring support towards ensuring that compliance risks are mitigated effectively resulting in the	GG5.8.1	Bi-annual Compliance Monitoring report submitted to Audit Committee	Current Compliance Monitoring reporting reports	2	OFFICE OF THE MUNICIPAL MANAGER (RISK MANAGEMENT)	Quarterly Compliance Monitoring reporting reports	MM24

		positive audit outcomes							
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes.	Providing recommendations and advice to management to improve internal controls, risk management and governance processes.	GG7.1.1	%age of Projects implemented as per Internal Audit Plan	100%	100%	OFFICE OF THE MUNICIPAL MANAGER (INTERNAL AUDIT)	Progress report against approved Internal Audit Plan and Internal audit reports	MM25
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY		Providing recommendations and advice to management to improve internal controls, risk management and governance processes.	GG7.2.1	Council Approval of audit committee charter by March 2019	Approved Audit Committee Charter by Council in April 2018	Council Approval of audit committee charter by March 2019	OFFICE OF THE MUNICIPAL MANAGER (INTERNAL AUDIT)	Council resolution approving audit committee charter	MM26
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services	GG8.1.1	%age of contracts drafted and vetted as requested by departments	New KPI	100%	OFFICE OF THE MUNICIPAL MANAGER (LEGAL SERVICES)	Registers of all contacts received with a date received and date finalised , and contracts vetted and drafted	MM28
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services	GG8.2.1	Approved Contract Management Policy by June 2019	New KPI	Approved Contract Management Policy by June 2019	Executive Manager : Legal Services	Council Resolution	MM31
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services	GG8.3.1	%age of objections addressed within 60days as per SCM Regulations	100% of objections resolved within 60days	100% of objections resolved within 60days	Office of the Municipal Manager	Objections register with dates of objection received and resolved, Objections and communication to Objector	MM29
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To provide effective and efficient legal support services	GG8.4.1	%age of bylaws published as prioritised by Mancos	new KPI	100%	Office of the Municipal Manager	Proof of publication of bylaws	MM30
OUTPUT 6: ADMINISTRATIVE	To keep the communities and	To ensure the effective	GG9.2.1	Approved Ward Committee	New KPI		DPHS	Council resolution, Draft Ward	

AND FINANCIAL CAPABILITY	stakeholders informed and involved in the affairs of the Municipality	functionality of ward committee's		Operational Plan by June 2018				Committee Operational Plan, Appointment letter, Approved Ward Committee Operational Plan	
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To keep internal & external communities and stakeholders informed, empowered and involved by 2021	To develop and implement an optimal communication strategy	GG10.1.1	Approved Communication strategy by June 2018	Draft communication strategy	Annual review of Communication strategy	CORPORATE COMMUNICATIONS	Council resolution and approved Communication Strategy	
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure good governance through openness, transparency and accountability in the organization.	To provide an enhanced internal and external communication service.	GG11.1.1	Number of Internal Communications Forum meetings held	12	12	Corporate Services	ICF Minutes and attendance registers	
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure that the municipality has and maintains an accountable and standardised ICT systems	To facilitate the annual implementation of good ICT governance processes	GG12.1.1	Number of ICT Steering Committee meetings	4	4	Corporate Services (IT)	Minutes Attendance Register	MM014
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote ICT governance by ensuring alignment of ICT and organizational objectives	Review of ICT Strategy, ICT policies and procedures	GG12.2.1	Number of reviewed ICT Strategy / ICT policies / ICT procedures	4	1	Corporate Services (IT)	Council Resolution/ SED Approval for procedures	MM019
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote ICT governance by ensuring alignment of ICT and organizational objectives	To ensure that the ICT activities and investments are in alignment with organizational objectives and strategies	GG12.3.1	Approval of ICT Strategic Plan June by 2018	New KPI	N/A	INFORMATION AND TECHNOLOGY	N/A	MM013
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To obtain a clean audit on the Audit of Performance Objectives by 2020	To facilitate the development , review and implementation of the PMS annually	GG13.1.1	Number of performance reports submitted to Audit Committee quarterly	3	2	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)	Audit Committee resolution and Quarterly performance report	MM032
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To obtain a clean audit on the Audit of Performance Objectives by 2020	To implement outreach and awareness workshops on	GG13.2.1	Number of PMS workshops held quarterly	1	4	OFFICE OF THE MUNICIPAL MANAGER	Workshops attendance register	MM033

		PMS to departments and other role-players					(PERFORMANCE MANAGEMENT)		
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote good governance through the Annual performance reporting process	To ensure compliance with Annual performance Reporting process	GG14.1.1	Annual Performance Report submitted to the Auditor-General by 31 August 2018	Annual Performance report submitted to AG on the 31 August 2017	Annual Performance Report submitted to the Auditor-General by 31 August 2018	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)	Acknowledgement of receipt from AG	MM034
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To promote good governance through the Annual performance reporting process	To ensure compliance with Annual report process	GG14.2.1	Tabling of Annual Report to Council by 31 January 2019 and Approval of Annual Report by 31 March 2019	Approved Annual Report by Council 31 March 2018	Tabling of Annual Report to Council by 31 January 2019 and Approval of Annual Report by 31 March 2019	OFFICE OF THE MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT)	Council Resolution and Approved Annual Report	MM035

7.1.2.Institutional Transformation and Corporate Development.

ORGANISATIONAL SCORE-CARD 2017`18 - 2021/22								
NEWCASTLE MUNICIPALITY								
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT								
OUTCOME 9	**GOAL/OBJECTIVES**	**STRATEGIES**	**KPI No. LINKED TO IDP**	**KEY PERFORMANCE INDICATOR**	**BASELINE**	**ANNUAL TARGET 2017/18**	**RESPONSIBLE DEPARTMENT**	**PRIMARY SOURCE OF EVIDENCE**
Output 6: Administrative and financial capability.	To enhance organisational perfomance by attracting and retaining best talent by 2021.	To embark on an investigation aimed at understanding efficiency and effectiveness of organizational systems and procedures by 2021		Number of investigations conducted as submitted to Municipal Manager / Manco	New	4	Corporate Services: Human Resources	Investigation report and final report as submitted to MM /Manco

Output 6: Administrative and financial capability.	To enhance organisational perfomance by attracting and retaining best talent by 2021.	To implement systems that will ensure compliance with the Employment Equity Act by ensuring equitable representation at all levels.		the number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan		23	Corporate Services: Human Resources	Employment Equity Report
Output 6: Administrative and financial capability.	To enhance organisational perfomance by attracting and retaining best talent by 2021.	To facilitate the development of skills through the complete implementation of the workplace skills plan		the percentage of the municipality's budget actually spent on implementing its workplace skills plan		100%	Corporate Services: Human Resources	WSP Budget Review Report
Output 6: Administrative and financial capability.	To enhance organisational perfomance by attracting and retaining best talent by 2021.	To align current policies with changes in legislation		Number of HR policies developed or reviewed	New	5	Corporate Services: Human Resources	Council minutes and approved policies
Output 6: Administrative and financial capability.	To enhance organisational perfomance by attracting and retaining best talent by 2021.	To promote employee relations (ER) and labour stability		Number of LLF meetings held as per organisational rights agreement	New	12	Corporate Services: Human Resources	Attendance register and LFF minitues
Output 6: Administrative and financial capability.	To provide quality administrative services, to support	To develop policies and realign systems and procedures that ensure good		Number of Administration policies or procedures	New	2	Corporate Service: Administration	Approved procedure by SED and Council minutes for policy approval

	optimal organisational performance	governance and an efficient and effective secretariat and general administration support by 2021		developed or reviewed				
Output 6: Administrative and financial capability.	To provide quality administrative services, to support optimal organisational performance	Ensure that all statutory Committees convene as per legislation and policies of Council		%age compliance with Annual Meeting Plan as approved by Council	100%	100%	Corporate Services : Administration	Progress report against approved Annual Plan and Minutes of statutory committee meeting
Output 6: Administrative and financial capability.	To comply with health and safety legislation	To promote zero fatalities and ensure a healthy and safe working environment		%age of safety issues as raised by Safety Committees addressed	New KPI	100%	Corporate Services	Minutes of Safety Committee Meeting and progress report on Saftey issues resolved submitted to Manco
Output 6: Administrative and financial capability.	To comply with health and safety legislation	To promote zero fatalities and ensure a healthy and safe working environment		Section 16.2 appointments finalised by Municipal Manager	New KPI	Section 16.2 appointments finalised by Municipal Manager	Corporate Services	Appointment letters singed by MM

7.1.3.Basic Service Delivery and Infrastructure.

NEWCASTLE MUNICIPALITY								
ORGANISATIONAL SCORE-CARD 2017`18 - 2021/22								
BASIC SERVICE DELIVERY AND INFRASTRUCTURE								
OUTCOME 9	**GOAL/OBJECTIVES**	**STRATEGIES**	**KPI No. LINKED TO IDP**	**KEY PERFORMANCE INDICATOR**	**BASELINE**	**ANNUAL TARGET 2017/18**	**RESPONSIBLE DEPARTMENT**	**PRIMARY SOURCE OF EVIDENCE**

Output 2: Improving access to basic services	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy – High voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management and catalytic projects)		Number of business plans submitted for funding for the compilation of comprehensive infrastructure masterplans (Roads and Stormwater, water and sanitation)	0	3	Technical Services	Council Resolution and proof of submission of the business plan to relevant stakeholders
Output 2: Improving access to basic services	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy – High voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management		Submission of a Business Plan to obtain funding for the preparation of the comprehensive Infrastructure Master Plan Roads & Storm water	0	Submission of a Business Plan to obtain funding for the preparation of the comprehensive Infrastructure Master Plan	Technical Services	Council Resolution, acknowledgement of information from other stakeholders and proof of submission of the business plan.

		and catalytic projects)						
Output 2: Improving access to basic services	To assemble adequate and reliable data for Infrastructure Planning, Management and Operations	Develop a Comprehensive Infrastructure Master Plan (It will cater for key focus areas including: Housing development, Water and sanitation, water safety plan, Roads and storm water, Energy – High voltage, Electrification, Maintenance Plan, Asset replacement plan, waste management and catalytic projects)		Approval of masterplan for high voltage network, electrification and network maintanance by June 2018	New	Approval of masterplan for high voltage network, electrification and network maintanance by June 2018	Electrical & Mechanical	Council Resolution and Approved Master Plan
Output 2: Improving access to basic services	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Increase number of households with access to basic potable (drinkable) water.		% Of households with access to a basic level of water	92%	92%	Technical Services	Progress report based on Stats SA census figures, BTO reports on new connections OR supported by completion certificates and final payment certificates/invoices signed by the Director and SED.
Output 2: Improving access to basic services	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Increase number of households with access to basic sanitation.		% Of households with access to a basic level of sanitation	74%	74%	Technical Services	Progress report based on Stats SA census figures, BTO reports on new connections OR supported by completion certificates and final payment certificates/invoices signed by the Director and SED.

Output 2: Improving access to basic services	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Upgrade wastewater collection and treatment facilities		Number of Water Water Treatment plants upgraded	4	n/a	Technical Services	n/a
Output 2: Improving access to basic services	To reduce water loss	To reduce the percentage of water losses. (Non- revenue water loss)		Reduction of water loss by 2% per annum for Non-Revenue Water loss	42.30%	40.30%	Technical Services	Water balance scorecard
Output 2: Improving access to basic services	To create a safe and healthy environment	To implement the Waste Management Strategy in line with relevant legislation		Annual review of the Integrated Waste Management Plan by June 2018	Existing Plan	Reviewed Integrated Waste Management Plan by June 2018	Community Services	Council Resolution
Output 2: Improving access to basic services	To create a safe and healthy environment	To provide a refuse removal service to the Newcastle Community		%age of households with access to basic level solid waste removal	61212/86028 = 71,2%	71.20%	Community Services	BTO and progress reports on Stats SA cencus information
Output 2: Improving access to basic services	To create a safe and healthy environment	To establish a new landfill site including management of the existing facility		Annual audit compliance report from EDTEA on existing site by June 2018	Existing Report	Annual audit compliance report from EDTEA on existing site by June 2018	Community Services	EDTEA Audit Compliance Report
Output 2: Improving access to basic services	To create a safe and healthy environment	To establish a new landfill site including management of the existing facility		Planning and Identification of Land Fill Site by 30 June 2018	None	Planning and Identification of Land Fill Site by 30 June 2018	DPHS	Progress reports as submitted to PFSC
Output 2: Improving access to basic services	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	Refurbishment and maintainenance of roads, storm water infrastructure,		Km of Roads resealed/rehabilitated	2,26 Km	8km	Technical Services	Reports signed by the Director and confirmed by the Portfolio Councillor for Technical Services

		traffic calming devices and provision of pedestrian walkways.						
Output 2: Improving access to basic services	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	Refurbishment and maintainenance of roads, storm water infrastructure, traffic calming devices and provision of pedestrian walkways.		km's of roads gravelled	5 Km	2,5km	Technical Services	Reports signed by the Director and confirmed by the Portfolio Councillor for Technical Services
Output 2: Improving access to basic services	Upgrade of gravel roads to tarred roads with storm water infrastructure and street furniture	Implementation of the Capital Program (MIG+INTERNAL FUNDING)		Km's of roads upgraded from gravel to blacktop including street furniture	9,903km	1.22km	Technical Services	(invoices will be linked to relevant PIP's) Completion certificates, progress reports signed by the Director/SED
Output 2: Improving access to basic services	To ensure access to electricity within the Newcastle Licence area	To develop and implement the Electricity Services Delivery Plan (ESDP)		Approval of ESDP by June 2018	0	Approval of ESDP by June 2018	Electrical & Mechanical	Council resolutuion and a[pproved ESDP
	To ensure access to electricity within the Newcastle Licence area	To provide electricity within the Newcastle Municipality Licensed Areas.		%age of households with access to a basic level of electricity	STATSA	tbd	Electrical & Mechanical	tbd
Output 1: Implement a differentiated approach to municipal financing, planning and support	To ensure management and replacement of vehicles for proper rendering of services.	To review a vehicle replacement policy and plan to address Fleet replacement, tyre Management , fuel and lubricant management		Annual review of Fleet Replacement Policy and Plan by June 2018	2016/17 Replacement Plan	Annual review of Fleet Replacement Policy and Plan by June 2018	Electrical & Mechanical	D1 - Draft Policy Q2 - Draft Plan Q3 - Minutes of the meeting Q4 - Council Minutes

Output 4: Actions supportive of the human settlement outcome	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	To develop a Human Settlement Plan in line with the 4th Generation IDP		To develop a new Human Settlements Plan in line with the 4th Generation IDP by 30 June 2018	Annual Review of Housing Sector Plan approved as part of the IDP	Preparation of new Human Settlements Plan in line with 4th Generation IDP by 30 June 2018	Human Settlements	SCM records/Advert/Appointment letter/Report / Minutes
	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	To reduce housing backlog to meet the provincial and national targets		Number of houses built	Complete certificated	280	Human Settlements	Completion Certificates
Output 4: Actions supportive of the human settlement outcome	To facilitate secure tenure and clear property rights	Fast-track Title Deed Restoration Project		Number of houses transferred through Enhanced Extended Discount Benefit Scheme (EEDBS)	40	60	Human Settlements	Title Deeds
Output 4: Actions supportive of the human settlement outcome	To facilitate secure tenure and clear property rights	Disposal of municipal land in line with Land Disposal Policy		Number of Residential Sites released for disposal	15	20	Human Settlements	Adverts, Deed of sale, supply chain records/ deed of transfer.
Output 4: Actions supportive of the human settlement outcome	To facilitate secure tenure and clear property rights	To develop and maintain a reliable National Housing Needs Register (NHNR)		Number of approved beneficiaries captured on Nationall Housing Needs Register	TBC	To be confirmed (TBC)	Human Settlements	Applications received and Updated report from NHNR
Output 4: Actions supportive of the human settlement outcome	To facilitate secure tenure and clear property rights	Provision of affordable housing opportunities for middle income to address gap market (i.e Social Housing/ Gap / Flisp)		Progress on the planning and implementation of atleast one Gap/Flips Housing Project	New KPI	Disposal of land to developers for development of at least one Gap / FLIPS Housing Project by June 2018	Human Settlement	Adverts/SCm records/ Minutes/ Letter of appointment

Output 4: Actions supportive of the human settlement outcome	To facilitate secure tenure and clear property rights	Provision of affordable housing opportunities for middle income to address gap market (i.e Social Housing/ Gap / Flisp)		Initiate development of at least one CRU Housing Project	New KPI	Initiate development of N11 CRU Housing Project	Human Settlements	Progress reports submitted to PFSC

7.1.4.Municipal Financial Management and Viability.

ORGANISATIONAL SCORE-CARD 2017`18 - 2021/22								
NEWCASTLE MUNICIPALITY								
MID YEAR ASSESSMENT MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY								
OUTCOME 9	**GOAL/OBJECTIVES**	**STRATEGIES**	**KPI No. LINKED TO IDP**	**KEY PERFORMANCE INDICATOR**	**ANNUAL TARGET YR2**	**RESPONSIBLE DEPARTMENT**	**PRIMARY SOURCE OF EVIDENCE**	**ANNUAL TARGET YR2**
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	**To improve access to basic services**	**To promote and / improve indigent subsidy and / benefit by ensuring that all indigent are eligible for the support and to eradicate a culture of non payment**		**The percentage of households earning less than R1100 per month with access to free basic services;**	**20% (18000/90346*100)**	Budget & Treasury Office	**Indigent register at end of quarter**	**20% (18000/90346*100)**
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	**To ensure implementation of capital programme**	**To ensure compliance with budget planning and implementation**		**%age of capital budget spent as per approved cash flows**	**90%**	**All departments**	**Financial report from the system**	**90%**
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Improve the payment factor by at least 2 percentage basis points	To promote and / improve indigent subsidy and / benefit by	FV15.1.1	Number of meetings held per quarter to discuss indigent applications and	34 (1 meeting per ward)	Budget & Treasury Office	Agenda, Attendance register,	34 (1 meeting per ward)

	annually (by June of every year)	ensuring that all indigent are eligible for the support and to eradicate a culture of non payment		explain the billing processes and emphases the payment of municipal bill as per Approved policy and procedures			Report back to their SED	
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	FV15.2.1	An annual review of the indigent register completed by 30 June 2019	An annual review of the indigent register performed at 30 June 2019	Budget & Treasury Office	Verification report including methodology used and item submitted to Portfolio Committee (Quarter 1), Proof of sms sent out to indigents / confirmation return slips and monthly registration and deregistration reports submitted to FPC (Quarter 2 and 3) and the final indigent register submitted in May FPC	An annual review of the indigent register performed at 30 June 2019
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	FV15.3.1	Increase of payment factor by 2 percentage basis point by 30 June 2019	81%	Budget & Treasury Office	Payment factor report submitted to FPC	81%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	Eradication of the culture of non-payment;	FV15.4.1	%age of queries addressed within 90 days	100%	Budget & Treasury Office	Query ageing report and calculation signed by Director	100%

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Achieve Value for money	To have an effective Supply Chain Management system in place;	FV16.1.1	Approved annual procurement plan by June 2019 approved by the Portfolio Steering Committee	2019/20 annual procurement plan by the Finance Portfolio Standing Committeeby 30 June 2019	Budget & Treasury Office	Approved procurement plan.	2019/20 annual procurement plan by the Finance Portfolio Standing Committeeby 30 June 2019
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Achieve Value for money	Have an effective Supply Chain Management system in place;	FV16.2.1	100% Implementation of the procurement plan.	100% Implementation of the procurement plan.	Budget & Treasury Office	Procument plan ,progress report ,Bid committes and letter of awards etc	100% Implementation of the procurement plan.
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	review the financial policies to ensure sound financial and fiscal management and good governance	FV17.1.1	Number of Financial policies reviewed by May 2018: 1. Tariff by-law2. Tariff policy3. Rates policy4. Indigent policy5. Customer care, Credit control, and Debt collection policy6. Budget policy7. Virement policy8. Petty cash policy9. Short Term insurance10. Fund & Reserve policy 11. Cash management and Investment policy12. Borrowing policy13. Loss control policy14 Asset management policy 15 Supply chain management policy	Number of Financial policies reviewed by May 2018: 1. Tariff by-law2. Tariff policy3. Rates policy4. Indigent policy5. Customer care, Credit control, and Debt collection policy6. Budget policy7. Virement policy8. Petty cash policy9. Short Term insurance10. Fund & Reserve policy 11. Cash management and Investment policy12. Borrowing policy13. Loss control policy14 Asset management policy 15 Supply chain management policy	Budget & Treasury Office	Approved minutes of council.	Number of Financial policies reviewed by May 2018: 1. Tariff by-law2. Tariff policy3. Rates policy4. Indigent policy5. Customer care, Credit control, and Debt collection policy6. Budget policy7. Virement policy8. Petty cash policy9. Short Term insurance10. Fund & Reserve policy 11. Cash management and Investment policy12. Borrowing policy13. Loss control policy14 Asset management policy 15 Supply chain management policy
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	Revenue enhancement	Facilitate the annual Review of the Revenue Enhancement Strategy	FV19.1.1	Review the Revenue Enhancement Strategy by March 2019	Annual review of the Revenue Enhancement Strategy by March 2019	Budget & Treasury Office	Council resolution and approved Revenue Enhancement Strategy	Annual review of the Revenue Enhancement Strategy by March 2019
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure efficient and effecitive implementation	FV18.1.2	%age compliance with MFMA reporting obligations	%age compliance with MFMA reporting obligations	Budget & Treasury Office	National Treasury Compliance Report	%age compliance with MFMA reporting obligations

		of financial internal controls		as per MFMA calendar	as per MFMA calendar			as per MFMA calendar
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	FV18.1.3	Approval of Annual Budget for 2019'20 by the 31 May 2019	Approved Budget by 31 May 2019	Budget & Treasury Office	Council resolution	Approved Budget by 31 May 2019
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	FV18.1.4	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2019	Budget & Treasury Office	Council resolution	Approval of Adjustment Budget by 28 February 2019
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	FV18.1.5	Financial viability in terms of debt coverage	5%	Budget & Treasury Office	Loan repayment schedule and Section 71 Reports	5%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	FV18.1.6	Financial viability in terms of cost coverage	1 Month	Budget & Treasury Office	Bank Statement and Investment Schedule and Section 71 Reports	1 Month
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	FV18.1.7	Financial viability in terms of outstanding service debtors	88%	Budget & Treasury Office	Calculation support proof of total receipts for the year and the total debtors outstanding at year end (Audited AFS)	88%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	To ensure sound financial and fiscal management and good governance	To ensure compliance with the roll out of MSCOA	FV18.1.1	100% Compliance with MSCOA assessment by National Treasury as per quartely requirements	100% compliance with MSCOA assessment as per quarter requirements by national treasury	Budget & Treasury Office	Assessment Report from National Treasury	100% compliance with MSCOA assessment as per quarter requirements by national treasury
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	**GOAL/OBJECTIVES**			**KEY PERFORMANCE INDICATOR**	**ANNUAL TARGET YR2**	**RESPONSIBLE DEPARTMENT**	**PRIMARY SOURCE OF EVIDENCE**	**ANNUAL TARGET YR2**

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY	**To improve access to basic services**			**The percentage of households earning less than R1100 per month with access to free basic services;**	**20% (18000/90346*100)**	Budget & Treasury Office	**Indigent register at end of quarter**	**20% (18000/90346*100)**
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY				**%age of capital budget spent as per approved cash flows**	**90%**	**All departments**	**Financial report from the system**	**90%**
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY				Number of meetings held per quarter to discuss indigent applications and explain the billing processes and emphases the payment of municipal bill as per Approved policy and procedures	34 (1 meeting per ward)	Budget & Treasury Office	Agenda, Attendance register, Report back to ther SED	34 (1 meeting per ward)
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY				An annual review of the indigent register completed by 30 June 2019	An annual review of the indigent register performed at 30 June 2019	Budget & Treasury Office	Verification report including methodology used and item submitted to Portfolio Committee (Quarter 1), Proof of sms sent out to indigents / confirmation return slips and monthly registration and deregistarion reports submitted to FPC (Quarter 2 and 3) and the final indigent register submitted in May FPC	An annual review of the indigent register performed at 30 June 2019

OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY				Increase of payment factor by 2 percentage basis point by 30 June 2019	81%	Budget & Treasury Office	Payment factor report submitted to FPC	81%
OUTPUT 6: ADMINISTRATIVE AND FINANCIAL CAPABILITY				%age of queries addressed within 90 days	100%	Budget & Treasury Office	Query ageing report and calculation signed by Director	100%

7.1.5.Local Economic Development.

ORGANISATIONAL SCORE-CARD 2017`18 - 2021/22								
NEWCASTLE MUNICIPALITY								
LOCAL ECONOMIC DEVELOPMENT								
OUTCOME 9	**Goal / Objective**	**Strategy**	**KPI No. LINKED TO IDP**	**KEY PERFORMANCE INDICATOR**	**BASELINE**	**ANNUAL TARGET 2017/18**	**RESPONSIBLE DEPARTMENT**	**PRIMARY SOURCE OF EVIDENCE**
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	To develop LED Strategy in line with the 4th generation IDP		DEVELOPMENT & APPROVAL OF THE NEW LED STRATEGY IN LINE WITH 4TH GENERATION IDP BY 30 JUNE 2018	LED Strategy (3rd Generation)	DEVELOPMENT & APPROVAL OF THE NEW LED STRATEGY IN LINE WITH 4TH GENERATION IDP BY 30 JUNE 2018	DPHS	Q1. APPOINTMENT LETTER Q2. ATTENDANCE REGISTER AND MINUTES. Q3 DRAFT STRATEGY Q4. COUNCIL RESOLUTION AND APPROVED STRATEGY
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	To Promote Business Retention and Expansion (BNR) to support local businesses		Approved Business Retention and Expansion (BNR) by 30 June 2018	Existing BNR Strategy	Approved Business Retention and Expansion (BNR) by 30 June 2018	DPHS : LED	Council Resolution and Approved BNR

Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation and Promotion of SMME development and Entrepreneurship		N/A		n/a	DPHS : LED	N/A
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation and Promotion of SMME development and Entrepreneurship		N/A	N/A	N/A	DPHS : LED	N/A
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation and Promotion of SMME development and Entrepreneurship		Number of SMMEs linked to Markets by 30 June 2018	5	10	DPHS : LED	Minutes of Portfolio Committee approving approving Report on SMME's
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Facilitation and Promotion of SMME development and Entrepreneurship		Number of SMME's Trained	50	TRAINING	DPHS : LED	Training registers / Attendance registers
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Promotion of the value-chain opportunities for SMME's		n/a	n/a	n/a	DPHS : LED	N/A

Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Establisment of Newcastle as a Regional Airport Hub for Northern KZN		Launch of SCHEDULED FLIGHTS between Newcastle and other major airports by 31 March 2018	New KPI	Launch of SCHEDULED FLIGHTS between Newcastle and other major airports by 31 March 2018	LED	Report on the Launch of Scheduled flight and launch material
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	Establishment of Techno Hub Innovation Centre Building in Newcastle		Completed Techno Hub Buliding by 31 March 2018	new KPI	Completed Techno Hub Building by March 2018	DPHS : LED	Completion Certificate and invoices
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	To promote local and foreign investment to Newcastle		Identification of economic growth engines (catalytic projects) that stimulate the local economy by December 2017	New KPI	Identification of economic growth engines (catalytic projects) that stimulate the local economy by December 2017 as reported to Council	DPHS : LED	Council Minutes / Report on Growth Engines
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To ensure radicalisation of the local economy	Support livelihood initiatives and home based enterprises(sector specific infrastructure for hairdressers, motor mechanics, car wash, music production and film making, etc) – enhance what is already there.		n/a	n/a	n/a	n/a	n/a
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To ensure radicalisation of the local economy	Promotion of local procurement of goods and services to stimulate local economy and job creation		Development and Implemention of the SMME Procurement Policy by December 2017	Draft SMME Procurement Policy	Approved SMME Procurement Policy by December 2017	DPHS : LED	Council resolution and Aprpoved SMME procurement policy

7.1.6.Cross-cutting Issues.

ORGANISATIONAL SCORE-CARD 2017`18 - 2021/22								
NEWCASTLE MUNICIPALITY								
CROSS CUTTING ISSUES								
OUTCOME 9	**Goal / Objective**	**Strategy**	**KPI No. LINKED TO IDP**	**KEY PERFORMANCE INDICATOR**	**BASELINE**	**ANNUAL TARGET 2017/18**	**RESPONSIBLE DEPARTMENT**	**PRIMARY SOURCE OF EVIDENCE**
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	To facilitate Revitilisation of Township Economy		n/a	n/a	n/a	n/a	n/a
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate economic development that will result in sustainable job creation and growth of the Town	To facilitate economic development that will result investment in the town		Report / Study on identification of pieces of land to be regarded as 'pockets of excellence' by 30 June 2018	None	Report / Study on identification of pieces of land to be regarded as 'pockets of excellence' by 30 June 2018	DPHS : LED & TP	Minutes of PFSC and Report on "Pcokets of Excellence
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To develop an efficient and effective land use management system so as to promote a rational and	Review of the Land Use Scheme in line with SPLUMA		Finalise Dignosis Report on the Land Use Scheme by 30 June 2018 submitted to Portfolio Committee	Approved Land Use Scheme in line with SPLUMA	Finalise Dignosis Report on the Land Use Scheme by 30 June 2018 submitted to Portfolio Committee	DPHS : TP	PFSC Minutes, Draft Report and Finalised Report

	harmonious land use activity system.							
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.	To undertake efficient and effective building controls.		Feasibility Report to develop bylaws in relation to green buildings 30 June 2018	New KPI	Feasibility Report to develop bylaws in relation to green buildings 30 June 2018	DPHS : TP	Progress report &/portfolio/ Council minutes
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To ensure an effective and integrated Geographic Information Management System.	GIS System integration with other municipal systems.		Complete TOR in relation to feasibility of intergating GIS with other systems by 30 June 2018	New KPI	Complete TOR in relation to feasibility of intergating GIS with other systems by 30 June 2018	DPHS : TP	Approved TOR by SED
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To promote spatial restructuring and integration	Development of municipal SDF in line with the 4th Generation of IDP		Approved Spatial Development Framework by 31 May 2018	Newcastle SDF approved 31 May 2017	Approved Spatial Development Framework by 31 May 2018	DPHS : TP	Council Resolution and Approved SDF
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To promote spatial restructuring and integration	To produce plans, policies and strategies to guide and manage development and investment.		Approval of one Local Area Plan / Precinct Plan by 30 June 2018	1	Approval of one Local Area Plan / Precinct Plan by 30 June 2018	DPHS : TP	Council Resolution and Approved LAP
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To promote sustainable development and sound environmental planning	To ensure compliance with environmental legislation and regulations.		Gazetting of the Environmental Management Framework (EMF) by 30 June 2018	Environmental Management Framework	Gazetting of the Environmental Management Framework (EMF) by 30 June 2018	DPHS : TP	Decision from MPT, Publication in Gazette

Output 1: Implement a differentiated approach to municipal financing, planning and support.	To promote sustainable development and sound environmental planning	Review of the municipal open space system		Review and approval of the municipal Open Space System by 30 June 2018	Open Space Policy and Framework	Review and Approval of the Open Space Policy and Framework by 30 June 2018	DPHS : TP	Council Resolution and Approved Opens Space Policy
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To promote sustainable development and sound environmental planning	Identification of suitable land for cemeteries and relevant Geotech studies		Geotech Report on identified sites for cemetery by 31 March 2018	none	Geotech Report on identified sites for cemetery by 31 March 2018	DPHS : TP	Geotech Report and PFSC to continue with EIA application
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To ensure the provision of traffic management services	Intensify Law Enforcement activities		Number of roadblocks conducted	24	24	Community Services	Road block statistics and register
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To improve safety and security	To provide and maintain an efficient and effective disaster management service to Newcastle.		N/A	N/A	N/A	Community Services	N/A
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To ensure provision of fire and disaster management services	To provide and maintain an efficient and effective disaster management service to Newcastle.		Adoption of Disaster Management Plan by June 2018	Draft Disaster Management plan	Adoption of Disaster Management Plan by June 2018	Community Services	Council Resolution and Approved Disaster Management Plan
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To ensure efficient use and management of community facilities.	Establishment and provision of community facilities		Number of new libraries built	6	0	Arts, Culture and Amenities	N/A
Output 1: Implement a differentiated approach to	To ensure efficient use and management of	Establishment and provision of community facilities		Number of Libraries upgraded	New	1	Community Services	Completion Certificate

municipal financing, planning and support.	community facilities.							
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate the responsive role of government&Civil society and private sector.	To mainstream programmes with the National and Provincial government; Civil society and private sector		% Percentage of OSS issues received and referred	New KPI	100%	OFFICE OF THE MUNICIPAL MANAGER (SPECIAL PROGRAMMES)	Registers and no. of issues received and referred
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To facilitate the responsive role of the municipality in OSS.	To mainstream OSS through Internal OSS and Special Programmes Steering Committee		Number of Special Programme and OSS meetings	NEW	2	OFFICE OF THE MUNICIPAL MANAGER (SPECIAL PROGRAMMES)	Special Programme and OSS Steering Committee Minutes and Attendance registers
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To respond to needs of vulnerable groups within Newcastle jurisdictional area.	Empowerment of target groups (Senior citizens, Disability, People living with HIV/AIDS, Women Men)		Number of functional Special Programmes FORA	8	8	OFFICE OF THE MUNICIPAL MANAGER (SPECIAL PROGRAMMES)	Forum meeting register and Attendance register
Output 1: Implement a differentiated approach to municipal financing, planning and support.	To respond to the needs of vulnerable groups	To host human rights activities to address issues affecting the vulnerable groups		Number of special programs events implemented	12	10	OFFICE OF THE MUNICIPAL MANAGER (SPECIAL PROGRAMMES)	Attendance registers, minutes and photos

7.2. IDP, BUDGET AND PMS INTEGRATION THROUGH THE SDBIP.

7.2.1.Organisational Performance Management System (PMS).

The White Paper on Local Government (1998) proposed the introduction of performance management systems to local government, as a tool to monitor service delivery progress at local government. It concludes that the integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands and to direct resources allocations and institutional systems to a new set of development objectives.

Chapters 6 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000), requires local government to:-

- Develop a performance management system.
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP)
- Publish an annual report on performance management for the councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- Conduct an internal audit on performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

7.2.2.Rationale of Performance Management.

Policy and Legal Context for PMS:-

- The White Paper on Local Government (1998).
- Batho Pele.
- The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
- The Local Government: Municipal Systems Act, (32/2000): Municipal Planning and Performance Management Regulations (2001) , Chapter 3, by the Department Cooperative Governance.
- Guide on Performance Agreements Workshop, 2001, by the South African Local Government Associations (referred to as SALGA Guidelines in short).
- DPLG, 2001, PMS Training Manuals (referred to as PMS Training Manuals in short).

- Municipal Finance Management Act (2003).
- Municipal Performance Management Regulations (2006).

7.2.3.Objectives of the Performance Management System.

- Facilitate increased accountability.
- Facilitate learning and improvement.
- Provide early warning signals.
- Facilitate decision-making.

7.2.4.Guiding principles of the Performance Management System.

- Simplicity.
- Politically driven.
- Incremental implementation.
- Transparency and accountability.
- Integration.
- Objectivity.

7.2.5.Implementation of the scorecard.

The Newcastle Municipality, had adopted a two-level approach of implementing the scorecard. The levels are:-

- The Strategic or Organizational Scorecard Level – reflecting the strategic priorities of the municipality
- This scorecard will also inform the individual scorecards of the Section 54/57 Managers.
- The Service Scorecard Level (SDBIP) – which captures the municipality's performance in each defined service by department and functional area, provides a comprehensive picture of the performance of a particular functional area as budgeted and consisted of objectives, indicators and targets .
- The two levels of scorecards will then become the performance management system (PMS) of The Newcastle Municipality. All reporting on the municipality's performance will be informed by information derived from the two-level scorecard and reflect the municipality's performance on the SIX perspectives.

7.2.6.Developing the scorecard and outlining the concept.

During the IDP process a corporate vision and mission were formulated for The Newcastle Municipality, together with broad key performance areas (KPA's), development objectives and key performance indicators (KPIs) which feed into the vision and mission. It is now necessary to take this process further into the performance management system, by developing an organizational or strategic scorecard that will encompass all the relevant areas or concepts that will allow measurement of the performance of the organization using this scorecard. This will be done by using relevant concepts to populate the organizational and service scorecards of The Newcastle Municipality. This process of developing the organizational and service/departmental scorecards will be followed every year after adoption of the IDP and the budget and after evaluation of the previous year's scorecard or municipal performance. An illustration of the components of an organizational or strategic scorecard is reflected below.

Below is the concept used for the organisational scorecard:-

Step 1	Outline the National Key Performance Areas (KPA's) and IDP alignment
Step 2	Define Strategic Focus Areas (SFA's) that fall under each KPA
Step 3	Formulate appropriate development objectives (IDP Objectives) for each SFA
Step 4	Develop suitable Key Performance Indicators (KPIs)
Step 5	Indicate the types of Key Performance Indicators
Step 6	Provide baseline information
Step 7	Set annual targets for each KPI over the 5 year period to be reviewed annually
Step 8	Indicate quarterly targets to be met arising out of the each of the set annual targets based on the budget for the year under review which will cascade into the SDBIP
Step 9	Allocate responsibility to departments for execution of actions
Step 10	Provide frequency of reporting on progress
Step 11	Specify the source of evidence to be used for verification and auditing purposes

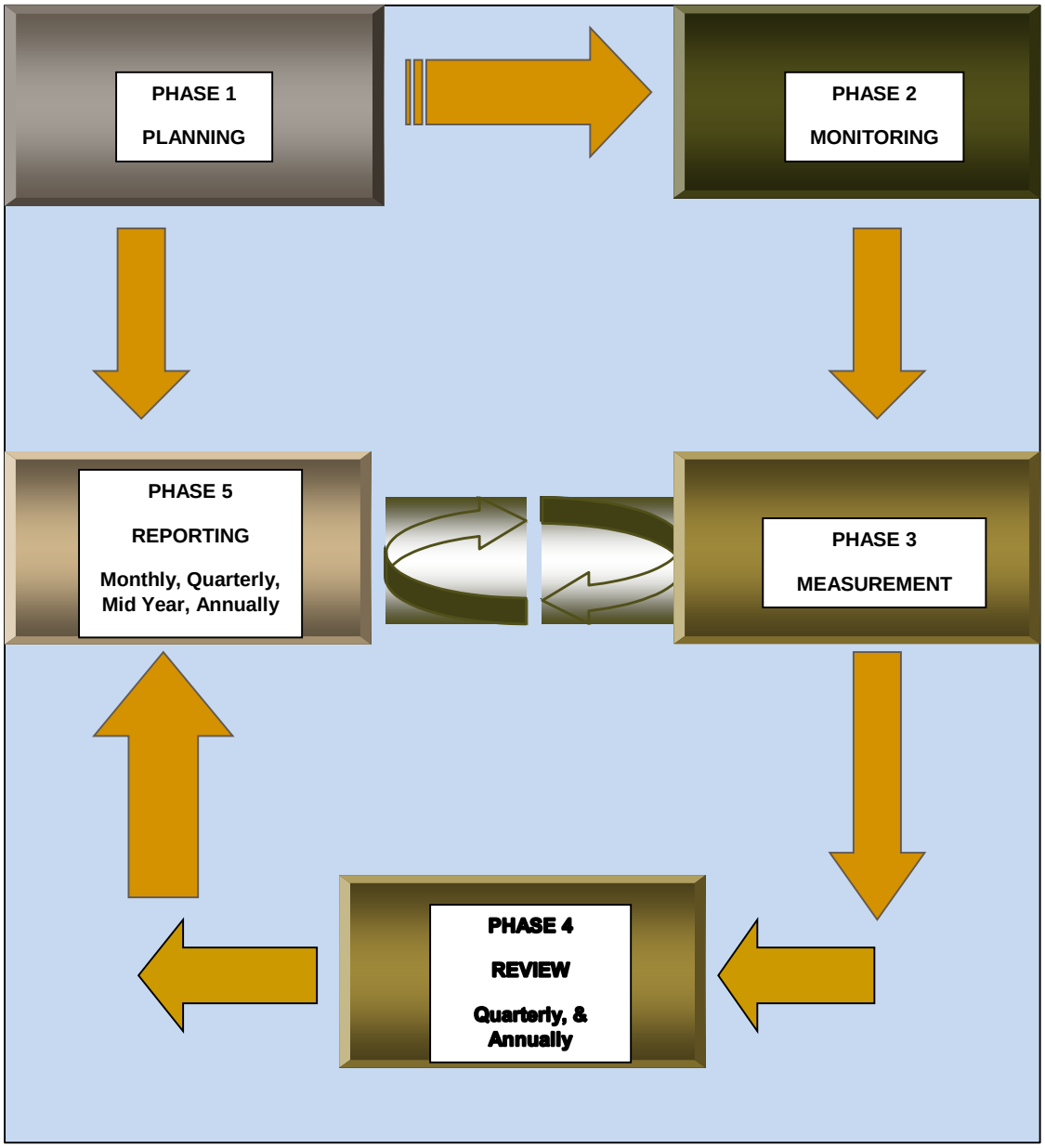
7.2.7.Implementation of the PMS.

Having identified the preferred performance model to be the Revised Municipal Scorecard, and having agreed to measure its performance against the SIX perspectives, The Newcastle Municipality will adopt a process plan for implementing its performance management system. The PMS implementation and management process will be carried out within the following phases:

Phase 1: Planning for Performance
Phase 2: Performance Monitoring and Managing Performance Information
Phase 3: Performance Measurement and Analysis

Phase 4: Performance Review and Improvement
Phase 5: Performance Reporting

The Performance Management Cycle:-



The methodology for the performance assessment is based on the rating calculatorfor Municipal Manager's and managers directly accountable to the Municipal Manager, as well as the Dashboard illustrations used by the Auditor-General. This will cascade into individual performance assessments. A PMS Checklist is used to ensure that performance information as reported is :-

- Sufficient.
- Relevant.
- Accurate.

For the purpose of this monitoring, the Dashboard results will be highlighted in terms of:-

DASHBOARD ASSESSMENT KEY	
	TARGET OVER ACHIEVED
	TARGET MET
	TARGET IN PROGRESS
	TARGET NOT MET

7.2.8.Employee Performance Management.

In local government, municipal employees now fall into two broad categories: namely, the employees who are governed by Section 54/57 of the Municipal Systems Act and enter into time-specified employment contracts with the municipality, and those that are employed on permanent basis and are governed by the provisions of the Local Government Bargaining Council. The local government legislation has provided guidance on managing and rewarding performance of Section 54/57 Managers, i.e. the Municipal Manager and all Managers directly accountable to her. The Performance Management Regulations for Municipal Managers and Managers Directly Accountable of 2006 make special provisions for employment and managing performance of these employees.

Section 57 managers must enter into employment contract with the municipality on assumption of duties and the regulations give a detailed guide on the elements of an employment contract:-

- **Performance Agreements** must be signed on each financial year or part thereof.
- **Performance Agreements** must be signed for all employees appointed in an Acting capacity in terms of section 54 and 56 of the Municipal Systems Act (As amended) for any period of 3 months, or an extension thereof (as approved by Council), if applicable. Such agreement MUST be concluded within 30 days of the appointment as aligned to the approved IDP and SDBIP targets. The evaluation process as specified in Performance Management Regulations for Municipal Managers and Managers Directly Accountable of 2006, will also apply to an incumbent appointed in the “acting” capacity for the duration of the acting appointment. Such performance agreements MUST be approved by Council.
- A new **performance agreement** must be concluded within **one month** after the commencement of the new financial year, i.e. by 31 July of every year.
- A **personal development plan** must be documented at the end of the performance review and form part of the performance agreement.

The employee's performance must be assessed against two components::

Key Performance Areas (KPA's) at (80%) and Core Competency Requirements (CCR's) at (20%);

- A **5 - point rating scale** should be provided for each Key Performance Indicator in the employees scorecard;
- The municipality must establish Evaluation Committees who must meet annually to evaluate the performance of the Municipal Manager and the managers directly accountable to the Municipal Manager;
- The Municipal Manager's annual performance must be evaluated by The Mayor, Chairperson of the Performance Audit Committee, Member of the Mayoral Committee, Mayor and/or Municipal Manager from another municipality and Member of a Ward Committee nominated by The Mayor;
- Managers directly accountable to the Municipal Manager must be rated by the Municipal Manager, Chairperson of the Performance Audit Committee, Member of the Mayoral Committee and a Municipal Manager from another municipality.

A performance bonus ranging from a minimum of 5% - 14%maximum of the all-inclusive remuneration package must be paid as follows:-

- **A score of 130 - 149% is awarded a bonus from 5% - 9%**
- **A score of 150% and above is awarded a bonus from 10% - 14%;**

Rewarding of Performance for Section 54/57 employees must be done after the adoption of the Annual Report. As can be seen from the above provisions, the Section 54/57 employees in Newcastle Municipality will align with the above regulations and their performance will be measured through their performance plans/scorecards. The same organizational scorecard will be cascaded to the employee scorecard and these will form part of their performance agreements. It is the intention of the municipality to formally incorporate the permanent employees into the overall performance management system of the municipality. This will translate into all employees of Newcastle Municipality developing annual scorecards that are aligned to their functional areas of responsibility and thereafter entering into performance agreements with their respective supervisors. Just like in the Section 54/57 employee performance provisions, the performance agreements of the permanent employees will include a personal development plan. An Individual performance policy as compiled by the Corporate Services Department will be submitted to Council for approval, to include a process for the phasing-in of individual performance management system for the Newcastle Municipality in the short-medium term. Organised Labour is to be engaged in this regard through the Local Labour Forum.

Recognition Awards

To promote an organisational culture that is performance driven, an Annual Management and Staff Awards will be introduced. The awards will be classified into different categories. Annually, after the adoption of the Annual Report of Council, all

employees will be given an opportunity to nominate employees of their choice for each category. Screening and evaluating of nominations will take place and ultimately one nominee wins the prize for each category. The categories are as follows:-

CATEGORIES	DESCRIPTION
Employee of the Year:	AN individual who has most effectively lived and practiced organisational values and displayed organisational and/or departmental mandate
1. Top Management	
2. Senior Managers	
3. Middle Management	
4. Supervision	
5. Non Supervision	
Customer Satisfaction	Provides service excellence that exceeds customer expectations
• Support Service	
• Service Delivery	
• Satellite Offices	
Best Performing Department	Department that at least has improved performance in all 4 quarters consistently, and promoted organisational values
Most Innovative – across all task grades	New creative contributions or solutions implemented in the year that improves efficiency, effectiveness and economy for the department or organisation
Excellence	To continuously strives to be the best through exceptional performance that exceed expectations
Integrity	To constantly act in a manner that promotes trust, dependability and commitment to honest behavior at all times
Special Awards	To be determined by Management and/or Exco

7.3. ANNUAL PERFORMANCE REPORT (2015/16).

7.3.1.Lessons Learnt in 2015/16.

Reporting requires that the priorities of the organisation, its performance objectives, indicators, targets, measurements and analysis, are taken and presented in a simple and accessible format, relevant and useful to the specified target groups for review. While it is important that the reporting formats are relevant, useful and cater for the reader's need in reviewing performance, the existence of too many reporting formats can become both confusing and burdensome to the organisation. The ideal situation is the existence of one reporting format that contains the necessary information for all users, yet remains simple and accessible to all users. This was done using a basic Excel spreadsheet.

In the year under review, every attempt was made to align the planning and reporting template with KPI's from the National Treasury through the IDP process, and then subsequently at Mid-Year Review with the Back to Basics programme. This became rather confusing and frustrating for departments who were already accustomed to

KPI's from previous years which were also aligned to the IDP, which may have been phrased differently.

It is also apparent that in order for an effective PMS, it is necessary for all stakeholders to be involved in the planning, monitoring and review process. Of specific note is the need for the streamlining of oversight activities by the Council and Community through processes specified in a framework to be aligned to other key strategic processes of the organisation. Furthermore, the need for a National and Provincial reporting system integrated with local government is re-iterated for the purposes of mainstreaming of national programmes and reporting requirements.

Perhaps one of the critical factors influencing performance in the organisation is the value chain and instilling a culture of performance. This would include amongst others - change management and team building techniques, awareness of and practicing of Batho Pele principles and a Code of Ethics. Leadership and management processes are key to ensuring an outcome driven entity with recognition and acknowledgment systems being implemented. In the year under review, the organisational re-engineering, budget cuts, and the high vacancy rate in top management negatively impacted on the quality of performance reporting. It is therefore deemed appropriate to ensure that together with skills development and change management processes, performance management is cascaded to all levels of employees once the re-engineering process is finalised.

For the performance Management process to be efficient, it is necessary for an automated system to be implemented to ensure accurate reporting that is aligned to financial reporting processes. This must be followed by effective risk management and internal audit processes to ensure that review mechanisms are implemented timeously. For the year under review, the need to align with other governance processes was emphasised through the PMS process. Unfortunately, institutional challenges amongst others, contributed to inadequate monitoring mechanism for governance related issues. It is therefore necessary to ensure that when the PMS is automated, that it interfaces with the governance systems, including amongst others a project management module, GIS and financial systems.

The institutional arrangements within the organization must be such that it supports the process. This would include sufficient capacity to lead the process and to ensure that compliance issues are administered. The need for each department to also identify performance champions administratively to co-ordinate performance information to support performance managers and leaders is critical for ensuring compliance with reporting requirements. This would include adequate administrative systems such as record keeping, consistency with administrative support officials. Furthermore, ongoing awareness and training is necessary to ensure that the entity is abreast of all performance related issues and how this integrates into other municipal processes. This was affirmed by the Audit Committee, resolving that no interns be

used to co-ordinate PMS reporting in departments and that a co-ordinator in departments with administrative functions be nominated by each department. This continues to be a challenge in most departments resulting in lack of consistency in quality reporting.

Of critical importance is the need for top and senior management posts to be filled to ensure management and leadership in so far as performance management processes are concerned. This is necessary especially in terms of motivating a goal orientated environment, quality control in respect of reporting and monitoring, review and submission of evidence and more importantly ensuring accountability at a senior management level. Actions plans in so far as the filling of critical posts must be implemented to meet the targets as specified in the SDBIP, including reducing the turnaround time for he filling of these posts. The vacancy rate in levels of senior management and operationally within the organisation also impacts negatively on performance. This is re-affirmed by Audit Committee recommendations that the use of interns for supporting the performance management process had to be reversed to ensure accountability at a management level, and to improve the quality of reporting. Of course these factors must be taken into account when aligning targets to resources available. The PMS unit have in the year under review introduced a "*Monitoring and Evaluation Checklist*" to support KPI and project owners review of performance information to meet the basic requirements of the PMS. It was designed also to support the monitoring and evaluation process. The pilot process of the checklist was not entirely successful as departments opted to use traditional methods of submission of performance information – thus contributing to poor quality reporting. The success of this new support approach is dependent on effective and functional senior management at a strategic and operational level. It is incumbent on both management and Council to ensure a resource orientated monitoring and evaluation environment.

The role of the PMS unit as defined in the PMS Framework was operationally reviewed in the year under review to that of supporting departments to ensure quality reporting. This is also dependent on the co-operation and buy-in of officials in departments working with performance information and proved challenging in an organisational with institutional and transformational challenges. Furthermore – skills capacity and competencies in the PMS unit is evolving more towards analytical and audit orientated – as opposed to primarily administrative as is contained in the job requirements for key positions within the unit. It is necessary for the relevant skills development programmes to also be extended to all relevant officials in department to improve quality of performance processes.

The need for improved Intergovernmental relations to ensure streamlining of performance based reporting processes is also necessary This would require that all spheres of government to integrate and co-ordinate these reporting requirements through the identification and rationalization of key performance indicators aligned to the National Growth Path. Furthermore the alignment to the national government

Medium Term Strategic Framework and national priorities is necessary to ensure that all spheres of government are striving to common goals and targets. It is also deemed appropriate for a common reporting, monitoring and assessment process be developed for all spheres of government in respect of specific key intervention /performance areas.

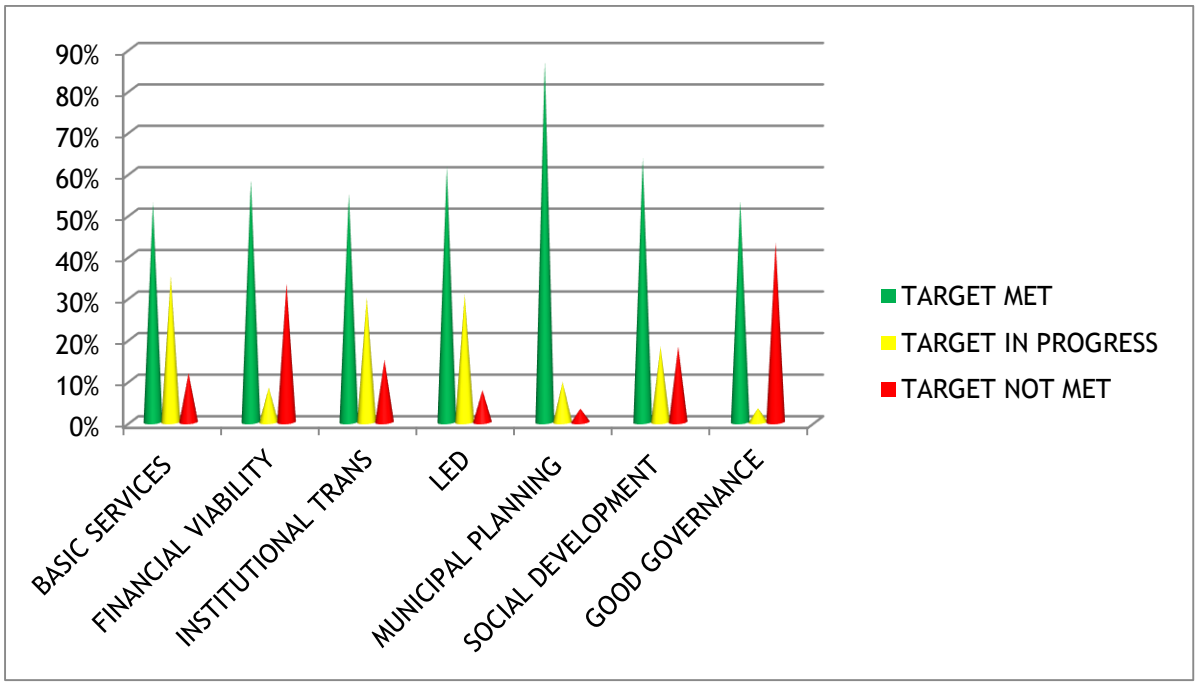
7.3.2.Organisational Score-Card 2015/16 Analysis.

For the 2015/16 financial year, a total of 145 key performance indicators (relevant and applicable) are evaluated against targets set as summarized below:-

KPA	BASIC SERVICES	FINANCIAL VIABILITY	INSTITUTIONAL TRANS	LED	MUNICIPAL PLANNING	SOCIAL DEVELOPMENT	GOOD GOVERNANCE	
TARGET MET	4	5	7	5	18	9	12	60
TARGET IN PROGRESS	6	1	6	4	3	4	1	25
TARGET NOT MET	2	4	3	1	1	4	13	28
TARGET OVER ACHIEVED	5	2	4	3	9	5	4	32
								0
TOTAL KPIS	17	12	20	13	31	22	30	145

From the above 63% Of targets were achieved ,of which 21% was exceeded for all key performance indicators on the organisational score-card linked to the IDP. This is a regression 75% targets met from the previous financial year. 19% of targets were not achieved, with 17% of targets being partially achieved or still in progress and 6% not met at all.

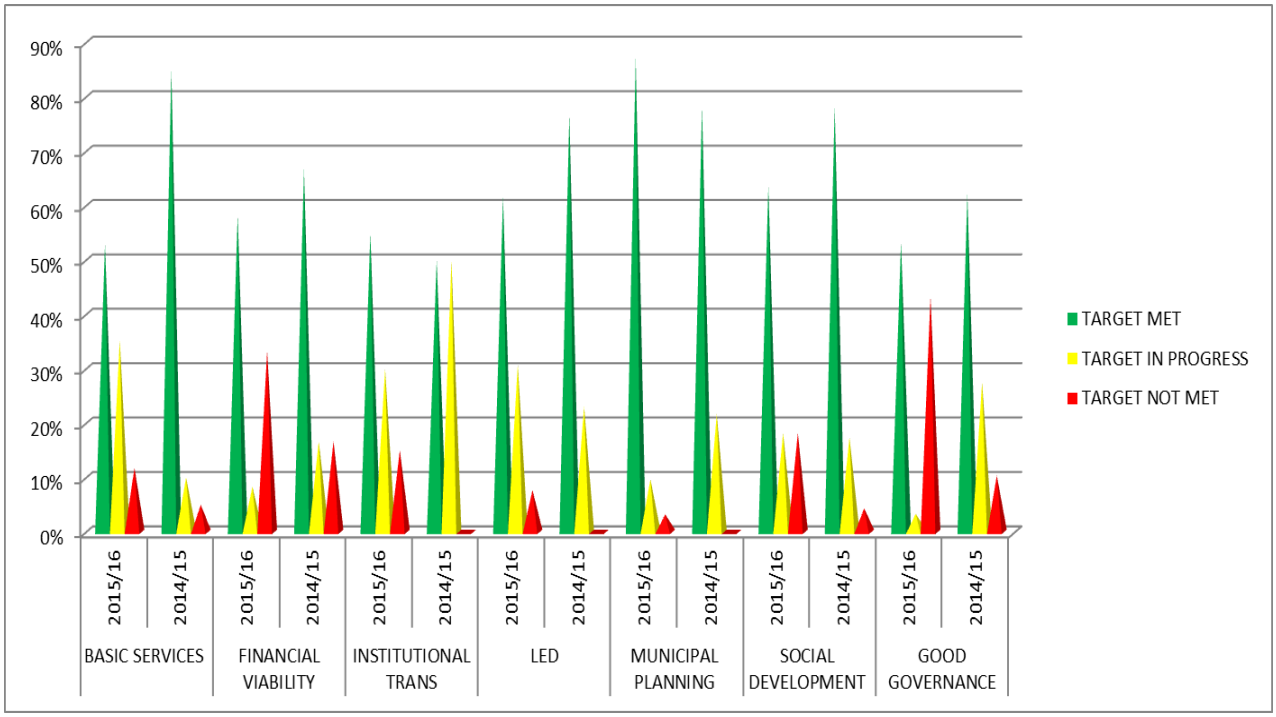
7.3.3.2015/16 KPA Performance.



Where performance was not reported and/or reported but was not backed with relevant, sufficient or accurate evidence, the target was deemed to have not been achieved or still in progress.

The graph below illustrates the performance against each KPA as included in the organisational score-card for the 2015/16 compared to performance for the same KPA in the previous financial year.

- **KPA Performance 2014/15 vs 2015/16:-**



7.3.4.Service Delivery Budget Implementation Plan (2015/16).

The progressive performance for all 4 quarters was assessed against the annual target to determine the annual actual – and thus annual performance.

The table below highlights the annual SDBIP performance using the dash board as mentioned above :-

	TARGET MET	TARGET NOT MET	TARGET IN PROGRESS	TARGET OVER ACHIEVED	
BTO	21	6	11	3	41
COMMUNITY SERVICES	13	6	7	8	34
CORPORATE SERVICES	7	6	8	6	27
DPHS	21	3	9	18	51
ELECTRICAL	6	4	7	6	23
MUNICIPAL MANAGER	21	24	6	12	63
TECHNICAL SERVICES	9	7	17	6	39
	98	56	65	59	278

The total number of KPI's on the performance score-cards (Departmental SDBIP's) is 278 (relevant and applicable) of which targets on the score-cards forms the basis of this assessment. From the table above 157 KPI's (57%) of targets have been met (of which 21% is overachieved) for the year under review on the SDBIP's holistically compared to 69% from the previous financial year. 20% of targets are either partially met or still in progress. 23% of the targets are not met at all. A target is assessed as not met or in progress if no actual has been reported and/or where insufficient, irrelevant or inaccurate evidence is submitted to support reported performance or reason for variance.

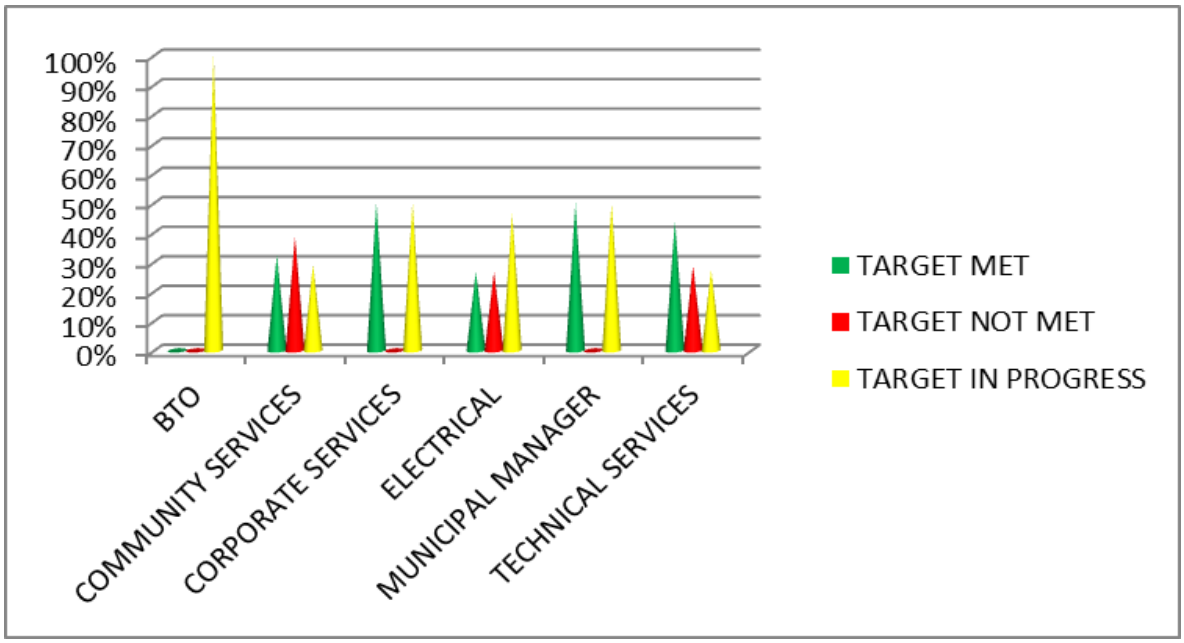
7.3.5.Performance of the Capital Programme (2015/16).

The status of the capital program is illustrated below:-

	TARGET MET	TARGET NOT MET	TARGET IN PROGRESS	
BTO	0		1	1
COMMUNITY SERVICES	20	24	18	62
CORPORATE SERVICES	2	0	2	4
DPHS	2	3	5	10
ELECTRICAL	4	4	7	15
MUNICIPAL MANAGER	1	0	1	2
TECHNICAL SERVICES	32	21	20	73
TOTAL	61	52	54	167

From the above table only 36 % of projects were completed during the 2015/16 financial year compared to 53% from 2014/15. 32% of project was still in progress at year end, of which it is recommended that the projects be rolled over into the 2016/17 financial year for completion. The total number of projects under review is 167 of which 61 have been completed/ target met as per the approved project implementation plan.

The graph below illustrates performance of departments in relation to the number of projects per department.



7.4. FINANCIAL PERFORMANCE (2015/16).

7.4.1.Financial Performance Against IDP Key Performance Areas.

IDP KEY PERFORMANCE AREA	FULL YEAR TOTAL BUDGET	YEAR TO DATE ACTUAL		FULL YEAR TOTAL BUDGET	YEAR TO DATE ACTUAL	
	CAPITAL			OPEX		
INFRASTRUCTURE DEVELOPMENT	235,573,866.00	186,970,889.73	48%	1,333,107,003.00	1,722,509,808.26	91%
SOCIAL DEVELOPMENT	51,011,626.00	23,859,137.27	6%	75,278,891.00	82,243,150.00	4%
FINANCIAL VIABILITY	2,256,029.00	1,712,535.80	0%	180,314,364.00	180,961,032.31	10%
GOOD GOVENANCE & PUBLIC CONSULTATION	72,669,259.00	64,150,316.82	16%	258,636,852.00	11,235,118.59	1%
INSTITUTION DEVELOPMENT &	3,796,222.00	3,644,520.00	1%	20,975,266.00	31,257,345.96	2%
LOCAL ECONOMIC DEVELOPMENT	7,386,774.00	3,491,519.97	1%	14,966,088.00	15,830,062.53	1%
SPATIAL AND ENVIRONMENTAL	17,166,184.00	14,089,800.63	4%	19,616,875.00	16,434,747.29	1%
GRAND TOTAL	**389,859,960.00**	**297,918,720.22**	76%	**1,902,895,339.00**	**2,060,471,264.94**	**108%**

7.4.2.Financial Performance by Department/Vote.

DEPARTMENT/VOTE	FULL YEAR TOTAL BUDGET	YEAR TO DATE ACTUAL		FULL YEAR TOTAL BUDGET	YEAR TO DATE ACTUAL	
	CAPEX			OPEX		
CORPORATE SERVICES	**69,845,259.00**	**60,365,696.35**	15%	179,199,528.00	(73,594,489.03)	-4%
COMMUNITY SERVICES	**64,952,875.00**	**33,360,905.02**	**9%**	**273,412,842.00**	**309,225,153.29**	**16%**
MM's OFFICE	2,824,000.00	3,784,620.47	1%	79,437,324.00	84,829,607.62	4%
DPHS	28,349,180.00	21,225,840.60	5%	55,558,229.00	63,522,155.78	3%
BTO	2,256,029.00	1,712,535.80	0%	180,314,364.00	180,961,032.31	10%
ELECTRICAL SERVICES	**39,803,049.00**	**32,283,648.83**	**8%**	**534,437,121.00**	**543,065,756.02**	**29%**
TECHNICAL SERVICES	181,829,568.00	145,185,472.93	37%	600,535,931.00	952,462,048.95	50%
	389,859,960.00	**297,918,720.00**	76%	1,902,895,339.00	2,060,471,264.94	108%



8. SECTOR PLANS.

8.1. NEWCASTLE LOCAL MUNICIPALITY SECTOR PLANS.

Ref	Activity/ Item Description	Levels of Execution		*LM Responsibility over Period				Comments
		*LM	*DM	2013/14	2014/15	2015/16	2016/17	
1.	Disaster Management Plan/ Contingency Plan	✓	✓	✓	✓	✓	Completed	District Municipality is implementing through shared Services but Newcastle has recently developed its own Disaster Management Plan.
2.	HIV/AIDS Action Plan	✓	✓	✓	✓			Special Programs implemented though the Operation Sukuma Sakhe Provincial Program.
3.	Institutional Plan	✓		✓	✓	✓	Completed	Completed and approved by Council
4.	Performance Management System (PMS)	✓		✓	✓	✓	Completed	PMS review completed and approved by Council in line with the IDP, Budget and the SDF. It's being implemented with Section 57, and rollout is well underway
5.	Skills Development Plan	✓		✓	✓	✓	Completed	Approved and adopted by EXCO/Council with implementation is well underway.
6.	Financial Management Plan	✓		✓	✓	✓	Completed	Fully-fledged Financial Plan in-place and approved by Council together with the Budget.
7.	Capital Investment Programme/ Framework (CIP)	✓		✓	✓	✓	Completed	Three Year Capital Program incorporated into the IDP but the Municipality on the process of developing a five year capital investment program once all sector plans are in place.
8.	Environmental Management Framework	✓				✓	Completed	Final document completed, approved and adopted by EXCO/Council.
9.	Local Economic Development (LED)	✓		✓	✓	✓	Completed	Completed in November 2012 and is currently being implemented.
10.	Poverty Relief/Alleviation Programme	✓		✓	✓	✓	Completed	Approved and adopted by Council. Implementation underway.
11.	Revenue Enhancement Strategy	✓		✓	✓	✓	Completed	Review underway, very critical for NLM.
12.	Housing Sector Plan	✓		✓	✓	✓	Completed	Final Housing Sector Plan complete. Currently being implemented.
13.	Water Services Development Plan (WSDP)	✓	✓	✓	✓	✓	Completed	WSDP completed but still due for a review in order to reflect the latest trends regarding the current predicament of low rainfall and water shortages.
15.	Waste Management Plan	✓	✓		✓	✓	Completed	Completed, approved and adopted by Council. Implementation thereof is well underway.
16.	Roads and Storm water Master Plan	✓			✓	✓	Completed	The Road and Stormwater plan is done in line with GRAP.
17.	Integrated Traffic and Transportation Plan	✓	✓			✓	Completed	Developed and finalised. Awaiting endorsement by the PSC so as to seek approval and adoption by EXCO/Council.
18.	Electrification Plan	✓	✓				Underway	Available with the DC. But Newcastle to develop its own in 2014/2015 financial year
19.	Tourism Strategy	✓	✓	✓	✓	✓	Completed	Approved and adopted by Council. Implementation underway.

Ref	Activity/ Item Description	Levels of Execution		*LM Responsibility over Period				Comments
		*LM	*DM	2013/14	2014/15	2015/16	2016/17	
20.	Town Planning Scheme	✓		✓	✓	✓	Underway	Wall-to-wall finalised. Awaiting endorsement by the PSC so as to seek approval and adoption by EXCO/Council.
21.	Spatial Development Framework	✓		✓	✓	✓	Completed	Reviewed SDF approved and adopted by Council together with the Final IDP (2016/17).
22.	Gender Employment Equity Plan	✓		✓	✓	✓	Completed	Approved and adopted by EXCO/Council with implementation underway.
23.	Communication Strategy	✓					Underway	Currently being developed.
24.	IT **Communications Policy**	✓		✓	✓	✓	Completed	Approved and adopted by EXCO/Council and implementation underway.
25.	**IT Policy**	✓		✓	✓	✓	Completed	Approved and adopted by EXCO/Council and implementation underway.
26.	**Asset Management Policy**	✓		✓	✓	✓	Completed	Approved and adopted by EXCO/Council. Currently undergoing review in line with the changing circumstances.
26.	Fraud and Corruption Prevention Strategy	✓			✓	✓	Completed	Approved and adopted by EXCO/Council. Implementation underway, very critical for the NLM.
27.	Cemetery Plan	✓			✓	✓	Underway	Investigation on identification of suitable sites underway.
28.	Ward Committee Policy	✓		✓	✓	✓	Completed	Implementation well underway.
29.	Business Retention and Expansion Strategy	✓	✓				Underway	Currently being developed.

LIST OF ANNEXURES.

- ANNEXURE A - SIGNED COUNCIL RESOLUTION
- ANNEXURE B - NEWCASTLE MUNICIPALITY FINAL SPATIAL DEVELOPMENT FRAMEWORK.
- ANNEXURE C - PMS (SDBIP)
- ANNEXURE D - SECTOR PLANS:
  Water Services Development Plan
  Housing Sector Plan
  Integrated Waste Management Plan
  LED Strategy
  HR Management Plan